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S. 3050

IN THE SENATE OF THE UNITED STATES

MARCH 1, 1954

Mr. CLEMENTS (for himself, Mr. HENNINGS, and Mr. COOPER) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 314 (a) of the Agricul-
4 tural Adjustment Act of 1938, as amended, is hereby
5 amended to read as follows: "The marketing of any kind of
6 tobacco in excess of the marketing quota for the farm on
7 which the tobacco is produced shall be subject to a penalty
8 of 50 per centum of the average market price (calculated to
9 the nearest whole cent) for such kind of tobacco for the
10 immediately preceding marketing year."

11 This amendment shall become effective October 1, 1954,
12 except that in the case of flue-cured tobacco such amend-
13 ment shall become effective July 1, 1954.

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

By Mr. CLEMENTS, Mr. HENNING, and Mr.
COOPER

MARCH 1, 1954

Read twice and referred to the Committee on
Agriculture and Forestry

Region V

Group I: None.

Group II: Flint, Mich.; Grand Rapids, Mich.; Kalamazoo, Mich.; Lansing, Mich.; Saginaw, Mich.; Akron, Ohio; Cincinnati, Ohio; Cleveland, Ohio; Columbus, Ohio; Dayton, Ohio; Hamblton-Middletown, Ohio; Loraine-Elyria, Ohio; Youngstown, Ohio.

Group III: Louisville, Ky.; Battle Creek, Mich.; Detroit, Mich.; Canton, Ohio; Toledo, Ohio.

Group IV: Muskegon, Mich.; Corbin, Ky.;² Hazard, Ky.;² Madisonville, Ky.;² Middlesboro-Harlan, Ky.;² Paintsville-Prestonsburg, Ky.;² Pikeville, Ky.;² Ionia-Belding-Greenville, Mich.²

Region VI

Group I: None.

Group II: Aurora, Ill.; Chicago, Ill.; Rockford, Ill.; Indianapolis, Ind.; Madison, Wis.

Group III: Davenport, Iowa-Rock Island-Moline, Ill.; Joliet, Ill.; Peoria, Ill.; Evansville, Ind.; Fort Wayne, Ind.; South Bend, Ind.; Duluth, Minn.; Superior, Wis.; Minneapolis-St. Paul, Minn.; Milwaukee, Wis.; Racine, Wis.

Group IV: Herrin-Murphysboro-West Frankfort, Ill.;² Terre Haute, Ind.; Vincennes, Ind.;² Kenosha, Wis.¹

Region VII

Group I: None.

Group II: Cedar Rapids, Iowa; Des Moines, Iowa; Wichita, Kans.; Omaha, Nebr.

Group III: Kansas City, Mo.; St. Louis, Mo.

Group IV: None.

Region VIII

Group I: None.

Group II: Tulsa, Okla.; Dallas, Tex.; Houston, Tex.

Group III: Little Rock-North Little Rock, Ark.; Baton Rouge, La.; New Orleans, La.; Shreveport, La.; Oklahoma City, Okla.; Austin, Tex.; Beaumont-Port Arthur, Tex.; Corpus Christi, Tex.; El Paso, Tex.; Fort Worth, Tex.; San Antonio, Tex.

Group IV: Texarkana, Tex.-Ark.^{2,1}

Region IX

Group I: None.

Group II: Denver, Colo.

Group III: Salt Lake City, Utah.

Group IV: Albuquerque, N. Mex.¹

Region X

Group I: None.

Group II: San Diego, Calif.

Group III: Phoenix, Ariz.; Fresno, Calif.; Los Angeles, Calif.; Sacramento, Calif.; San Bernardino-Riverside, Calif.; San Francisco-Oakland, Calif.; San Jose, Calif.; Stockton, Calif.; Honolulu, T. H.

Group IV: None.

Region XI

Group I: None.

Group II: None.

Group III: Portland, Oreg.; Seattle, Wash.; Spokane, Wash.

Group IV: Tacoma, Wash.¹

ESTABLISHMENT OF ACREAGE ALLOTMENTS IN CERTAIN CASES

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a bill to authorize the Secretary of Agriculture

¹ Areas in the Group IV column marked with an asterisk do not meet the criteria for classification as chronic labor surplus areas in which certified defense facilities may receive additional tax amortization consideration.

² Smaller areas covered because of substantial labor surpluses. These areas are not part of the regular major area reporting program of the Bureau of Employment Security and its affiliated State employment security agencies.

to establish policies and programs for the use of acreage diverted from production by the establishment of acreage allotments. I ask unanimous consent that the bill together with a statement by me explaining the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3049) to authorize the Secretary of Agriculture to establish policies and programs for the use of acreage diverted from production by the establishment of acreage allotments, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) the Congress hereby finds and declares that the disruption of the orderly planting of farm commodities due to the use of acreage allotments made necessary by wartime production and the failure of American farm production to move in world trade impairs the purchasing power of farmers and that these conditions affect the planting of other crops not under acreage allotment, will tend to increase the surplus of nonbasic commodities, and will not increase soil fertility, and whereas we have exhausted about 40 percent of our fertile soil and with a greatly increasing need for the restoration of our soils if generations to come are to enjoy our present high standard of living.

(b) It is hereby declared to be the policy of the Congress that the Secretary of Agriculture shall establish a program for the use of acres taken out of production because of the declaration of acreage allotments.

SEC. 2. The Secretary of Agriculture shall provide, through agreements with producers or by other voluntary methods, that acreage of commodities subject to acreage allotments in order to be eligible for this program must be taken out of production of any crop sold in normal channels of trade or used in the production of any product sold in normal channels of trade. Diverted acres are to be used solely for soil-conserving purposes. Practices to be used in carrying on this program are to be determined by the Secretary of Agriculture, taking into consideration soil-conserving practices normally used in each farming area of the country. Such acreage shall also be eligible for benefit payments under any soil-conservation program now in effect or to be put into effect by the Congress.

SEC. 3. Rental or benefit payments in connection with such agreements or other methods shall be determined by taking not less than 25 percent of the average county per-acre yield of the commodity subject to acreage allotments and multiplying by the support price of said commodity to arrive at the per-acre rental or benefit payment. Payment shall be made as far as practicable on contiguous tracts in order to encourage soil-conservation practices, and the Secretary of Agriculture shall have the authority to make payments not in excess of 10 percent of the acreage that would be diverted because of the establishment of acreage allotments.

SEC. 4. No payment shall be made to any cooperator in such program for less than \$25 nor more than \$2,500.

The statement by Mr. HUMPHREY is as follows:

STATEMENT BY SENATOR HUMPHREY

One of agriculture's most pressing problems is what to do about acres diverted from production of crops in oversupply.

We can ease that problem by providing the proper incentive for diverting such acres into conservation farming building up our soil to meet future needs.

During an address before the 16th annual banquet of the Grain Terminal Association in St. Paul last December, I outlined some of the constructive steps I felt needed to be taken for American agriculture.

Among my suggestions was this comment: "We need adequate incentive premiums to convert 'diverted acres' under production restrictions to soil building conservation practices, rather than to other competing and soil depleting crops."

That is just what my bill proposes to provide.

This is a constructive move supported by all of the great farm organizations, and called for by President Eisenhower in his messages to this Congress.

Resolutions adopted by the American Farm Bureau Federation at its convention in Chicago the same date I was speaking about "diverted acres" in St. Paul, call for stockpiling fertility in the soil, building a "soil fertility bank" as a reserve for use in national emergencies.

My bill would encourage such conservation of our resources, at a time when we are troubled with production not beyond human need but beyond current effective demand at prices reasonable to the producer.

Without a positive program of wise land use, the diverted acres taken out of production because of the declaration of acreage allotments will only tend to increase the surplus of nonbasic commodities and help defeat the very purpose of acreage allotments.

We spend millions every year to mothball our naval and merchant marine vessels. Isn't an even better investment in our future standard of living and defense to "mothball" our diverted acres, not merely preserving them as we do ships but actually improving them while they are "resting" in reserve?

Under this bill, benefit payments per acre would be determined by taking 25 percent of the average county yield per acre of the commodity under acreage controls and multiplying it by the support price of the commodity.

We have already exhausted 40 percent of our fertile soil, and only a concentrated program of restoration will assure us of the food our rapidly growing population will need in the future.

Now, when acres must be diverted from production of some of the cash crops without upsetting the farmers' purchasing power, which must be maintained for the good of all, seems the logical time to move forward on our conservation efforts.

Mr. HUMPHREY. Mr. President, the Minneapolis Star, long one of the Midwest's most active champions of conservation, has called for such an approach as my bill provides. I ask unanimous consent that an editorial published in the Star on Tuesday, February 23, entitled "Soil Banks for Idle Acres," be published in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOIL BANKS FOR IDLE ACRES

Troubling many farmers and officials is the question of what to do with land taken out of production when acreage restrictions on basic crops go into effect. The surplus problem won't be solved if a man cuts down on his wheat acreage only to increase his barley planting.

In a letter to the Star, Lester M. Anderson, of Litchfield, Minn., accuses us of propagandizing against the farmer in the name of the consumer. He says farmers are quite willing to accept crop controls. For the acres

thus released he suggests a Government payment to cover rent and the seed to put the land into soil-building grass.

The Star is very much interested in maintaining farm income because this whole region is largely dependent on farm prosperity for general prosperity. What we have warned against are high support prices which build up surplusses and threaten a revolt against the whole support idea. We think Government supports should be insurance against drastic drops in income, but that farmers should produce for the market, not for Government storehouses.

As for soil-building payments, we think they offer a way out of the idle acre problem. Government officials are talking about soil banks, by which they mean storehouses for fertility. Bills are already before Congress to implement the plan.

Under the old PMA, so-called conservation payments were made—and to some extent still are being made—to farmers for practices which have little relationship to soil conservation. But if a program is evolved which actually encourages the building up of the soil, all Americans should support it. A nation which is growing by 3 million population a year will some day need all the good earth that can be found.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. CLEMENTS. Mr. President, on behalf of myself, my colleague, the junior Senator from Kentucky [Mr. COOPER], and the Senator from Missouri [Mr. HENNINGS], I introduce for appropriate reference a bill to amend the Agricultural Adjustment Act of 1938, as amended, by increasing the penalty rate on tobacco marketed in excess of acreage allotments from 40 percent of the previous year's average price to 50 percent of the previous years average price.

The basic strength of the tobacco program, and, in great part, the great success of the program can be traced directly to the acceptance by the growers of the need to revise the program from time to time to meet changing economic conditions. The approval of changes made from time to time can easily be demonstrated by the fact that since 1939, marketing quotas and acreage allotments have been approved by the growers in referenda held every third year. The last overall vote resulted in 96 percent of the growers favoring quotas in the Burley, flue-cured, and dark tobacco areas, representing over 98 percent of all the tobacco grown in the United States.

The measure introduced today meets with the approval of the great majority of the growers, and represents, in their judgment, a sound approach in discouraging the production of excess tobacco, the continuation of which, if not checked, could constitute a threat to the future of the program. The bill has the endorsement of the organized growers association, the Kentucky Farm Bureau, and other interested and allied organizations.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, introduced by Mr. CLEMENTS (for himself, Mr. HENNINGS, and Mr. COOPER), was received, read twice by its

title, and referred to the Committee on Agriculture and Forestry.

LEIF ERICKSON DAY

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a joint resolution requesting the President of the United States to proclaim October 9 as Leif Erickson Day.

People of Scandinavian descent all over the United States are proud of the fact that they played a part in the early discovery of America when the distinguished Scandinavian explorer, Leif Erickson, became the first European to set foot on the soil of North America.

It is fully appropriate that the United States Government recognize the link between Scandinavia and the United States should be duly commemorated by the proclamation of Leif Erickson Day. I urge favorable consideration for my resolution.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 135) requesting the President to proclaim October 9, as Leif Erickson Day, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on the Judiciary.

FILLING OF VACANCIES ON FEDERAL RESERVE BOARD

Mr. HUMPHREY. Mr. President, I submit for appropriate reference a resolution. It refers to the Federal Reserve Board and the operations of the Federal Reserve Board, particularly the Open Market Committee. I make note of the fact that there have been vacancies on the Federal Reserve Board since October 30, 1952.

I also note that the law of the Congress establishing the Federal Reserve Board calls upon the Executive, the President, to fill such vacancies so that the Board may be thoroughly representative of not only the economic functions of America, but also the geographical areas of our country.

I further make note of the fact that the resolution pertains to the operations of the Open Market Committee and its relationship to the members of the Federal Reserve Board.

I suggest that the resolution be carefully studied. It seems to me that one of the most important areas of study and interest today is the matter of fiscal and credit policy.

I also make note of the fact that the Federal Reserve Board at the present time and for a period of more than a year and a half has been without its full membership; and I consider such a condition to be the result of a lack of fulfilling the requirements of the Congress of the United States.

The resolution (S. Res. 216), submitted by Mr. HUMPHREY, was referred to the Committee on Banking and Currency, as follows:

Whereas Congress has, by legislation long debated and duly enacted, created a Federal Reserve Board to consist of seven members to be appointed by the President with the

advice and consent of the Senate, said Board to operate as an agency independent within the Government, not subject to control of any other department of Government except the Congress, but specifically provided that said Board should report to and be under the direct supervision of the Congress; and

Whereas the Congress has given said Board broad discretionary powers in the conduct of its affairs and in its supervision of the Federal Reserve System, the regional Federal Reserve banks and their respective branches and the Federal Open Market Committee; and

Whereas the Congress has also created by legislation the Federal Open Market Committee as an integral part of the Federal Reserve System, giving this committee also wide discretion in the conduct of its affairs, and the Congress provided that said committee should consist of the 7 members of the Federal Reserve Board plus 5 presidents of 5 separate Federal Reserve banks, said 5 to alternate from year to year between the 12 Federal Reserve bank presidents; and

Whereas the Congress, when it determined that the number of members of the Federal Board should be seven, did not reach that decision by chance or caprice or by compromise, but only after long and serious and objective and nonpartisan consideration and debates; and

Whereas the legislative history shows that the number seven was finally determined as being the minimum number in the opinion of the Congress which would achieve fair geographical and functional representation on this powerful Board for all sectors of our economy and all sections of our vast country; and

Whereas Congress in the creation of the Federal Open Market Committee was careful to limit to five the number of Federal Reserve bank presidents who would be members of said committee in order to insure a working majority at all times of Federal Reserve Board members, who are Presidential appointees confirmed by the Senate, as against the five members composed of Federal Reserve bank presidents, who are elected to their bank positions by the boards of directors of the respective Federal Reserve banks, two-thirds of the membership of which boards consists of commercial bankers or their representatives; and

Whereas there are now and have been vacancies on said Federal Reserve Board, one since June 30, 1952 (for more than 1 year), and another since January 31, 1954, thereby causing an upset in the balance of power in the Federal Open Market Committee, contrary to the intention of the Congress; and, further such vacancies deny equitable representation on the Federal Reserve Board itself of the various geographical sections of our Nation and the multiplicity of economic elements thereof; and

Whereas the law specifically provides that the Board shall consist of seven members, that when a Board member's term expires he shall serve until his successor is appointed and qualified, and that the President shall appoint to fill vacancies occurring in the Board, such provisions indicating clearly that it was the intent of the Congress that there be constantly seven members on the Board; and

Whereas by the use of the word "shall" instead of the word "may," it was clearly indicated that the Congress intended it to be obligatory upon the President to maintain at all times the membership of said Federal Reserve Board at the statutory required number of seven members; and

Whereas the said Federal Reserve Board is particularly an instrument of this Congress, answerable only to the Congress, and is the only instrument of the Congress through which it may discharge its responsibility for

H. R. 8135

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1954

Mr. WATTS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 314 (a) of the Agricultural
4 Adjustment Act of 1938, as amended, is hereby amended to
5 read as follows: "The marketing of any kind of tobacco in
6 excess of the marketing quota for the farm on which the
7 tobacco is produced shall be subject to a penalty of 50 per
8 centum of the average market price (calculated to the nearest
9 whole cent) for such kind of tobacco for the immediately
10 preceding marketing year."

11 This amendment shall become effective October 1, 1954,
12 except that in the case of flue-cured tobacco such amendment
13 shall become effective July 1, 1954.

83^d CONGRESS
2^d Session

H. R. 8135

A BILL

To amend the Agricultural Adjustment Act of
1938, as amended.

By Mr. WATTS

MARCH 1, 1954

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 21, 1954
For actions of April 20, 1954
83rd-2nd, No. 72

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HIGHLIGHTS: Senate passed buildings lease-purchase bill. Senate debated Carlson personnel bill and wool bill. Senate committee reported third supplemental appropriation bill. Senate committee voted to report bills to distribute CCC seeds to land agencies and to increase tobacco-excess penalties. Sen. Young defended high price supports.

SENATE

1. BUILDINGS. Passed, 47-30, with amendments H. R. 6342, to authorize GSA to enter into lease-purchase agreements for construction of public buildings. Senate conferees were appointed. (pp. 5013-28.)
2. PERSONNEL. Began debate on S. 2665, the Government employees' fringe benefits bill. Agreed to all committee amendments except the one relating to the number of super-grade positions. Action on this amendment was postponed at the request of Sen. Byrd. (pp. 5028, 5032-3.)
- WOOL PRICE SUPPORTS. Began debate on S. 2911, to provide additional authority for wool price supports, etc. (pp. 5029-34).
4. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1954. The Appropriations Committee reported with amendments this bill, H. R. 8481 (S. Rept. 1216)(p. 5005). Sen. Bridges gave notice of an amendment to provide \$15,000,000 additional under the Agricultural Conservation Program for emergency wind control measures (p.5006).
5. SEEDS; TOBACCO. The Agriculture and Forestry Committee ordered reported (but did not actually report) with amendment S. 2987, to provide for transfer of surplus CCC seeds to Forest Service and BLM, and without amendment S. 3050, to increase the penalty on excess marketing of tobacco (p. D429).
6. PRICE SUPPORTS. Sen. Young defended high price supports and the effectiveness of production controls and inserted a letter from the Under Secretary on this subject (pp. 5010-13).
7. SUGAR. Sen. Aiken said opposition to the International Sugar Agreement has been found to be applicable to the U. S. Sugar Act, not the Agreement (p. 5034).
8. PUBLIC LANDS. Sen. Butler, Nebr., reported additional amendments from the Interior and Insular Affairs Committee to H. R. 1815, to amend the Recreation Act of 1926 regarding use of public lands (p. 5005).

BILLS INTRODUCED

9. POULTRY; TAXATION. S. 3331, by Sen. Upton, to amend the Internal Revenue Code to include as property used in trade or business poultry held for breeding purposes; to Finance Committee (p. 5005).
10. TRADE AGREEMENTS. H. R. 8260 (see Digest 70) extends the President's authority to enter into reciprocal trade agreements from June 12, 1954, through June 30, 1957. It prohibits agreements (1) increasing the duty for any article to a rate more than 50% above the 1945 rate, (2) transferring any article between the dutiable and free lists, (3) decreasing the rate on any article more than 50% below the 1945 rate, or (4) decreasing the rate for any article more than certain alternative limits, in order to carry out an agreement entered into on or after June 12, 1954. It empowers the President to terminate a proclamation at any time in whole or in part.

ITEM IN APPENDIX

11. DAIRY INDUSTRY. Rep. Wagen, Calif., inserted a Calif. Legislature resolution favoring distribution of surplus dairy products to the armed forces, public institutions, the needy, and for school lunches (p. A2943).

COMMITTEE HEARINGS RELEASED BY GPO

12. AIR FORCE APPROPRIATIONS, 1955. H. Appropriations Committee.

COMMITTEE HEARING ANNOUNCEMENTS: Overall farm-program proposals, S. Agriculture (Secretary to testify), Apr. 21. Emergency farm loans, S. Agriculture (Scott, MacLeaish, and Smith to testify), Apr. 23. Surplus disposal bills, H. Agriculture (Davis to testify), Apr. 27. Overall farm-program proposals, H. Agriculture (Secretary to testify), May 5 and 6.

INCREASE IN TOBACCO MARKETING PENALTIES

APRIL 21 (legislative day, APRIL 14), 1954.—Ordered to be printed

Mr. CLEMENTS, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany S. 3050]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would increase the marketing penalty for tobacco from 40 percent of the average market price for the preceding marketing year to 50 percent of such average market price, as is fully explained in the following report from the Department of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., March 25, 1954.

HON. GEORGE D. AIKEN,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR AIKEN: This is in reply to your request of March 2, 1954, for a report on S. 3050, a bill to amend the Agricultural Adjustment Act of 1938, as amended. This bill increases the penalty on the marketing of tobacco in excess of farm marketing quotas from 40 percent to 50 percent of the average market price (calculated to the nearest whole cent) for the preceding marketing year.

Correspondence received from tobacco growers, farm organizations, Members of Congress, and others indicates that the overwhelming majority of tobacco growers favor an increase in the rate of penalty on the marketing of excess tobacco. This reflects the strong desire of tobacco growers to maintain a sound program. This concern usually arises from a few particular cases in their locality and rumors about the general situation. This concern usually is lessened when the facts are brought out.

In the case of burley tobacco which accounts for about 28 percent of the total tobacco production in continental United States, 424,900 acres were harvested in 1953. Approximately 6,500 acres or about 1½ percent were grown in excess of individual farm allotments. In the case of flue-cured tobacco, which accounts for approximately 60 percent of the total production in continental United States, 1,021,800 acres were harvested in 1953. Approximately 10,660 acres, or slightly over 1 percent were grown in excess of individual farm acreage allotments.

The present rate of penalty appears to be reasonably effective in accomplishing program purposes and the proposed increase in rate does not appear to be necessary. However, the increase probably would not affect program operations materially and in view of the attitude of tobacco growers the Department does not wish to favor or oppose S. 3050.

In view of your subsequent request, we have not obtained advice from the Budget Bureau as to the relationship of this bill to the program of the President.

Sincerely,

TRUE D. MORSE, *Under Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

SEC. 314. (a) The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of **[40 per centum]** *50 per centum* of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year. Such penalty shall be paid by the person who acquired such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: *Provided*, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm-acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco so carried over does not exceed the normal production of that number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins.



Calendar No. 1236

83^D CONGRESS
2^D SESSION

S. 3050

[Report No. 1228]

IN THE SENATE OF THE UNITED STATES

MARCH 1, 1954

Mr. CLEMENTS (for himself, Mr. HENNINGS, and Mr. COOPER) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

APRIL 21 (legislative day, APRIL 14), 1954

Reported by Mr. CLEMENTS, without amendment

A BILL

To amend the Agricultural Adjustment Act of 1938, as amended.

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3 That the first sentence of section 314 (a) of the Agricul-
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8 of 50 per centum of the average market price (calculated to
9 the nearest whole cent) for such kind of tobacco for the
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3 ment shall become effective July 1, 1954.

Calendar No. 1236

83d CONGRESS
2d Session

S. 3050

[Report No. 1228]

A BILL

To amend the Agricultural Adjustment Act of
1938, as amended.

By Mr. CLEMENTS, Mr. HENNING, and Mr.
COOPER

MARCH 1, 1954

Read twice and referred to the Committee on
Agriculture and Forestry

APRIL 21 (legislative day, APRIL 14), 1954

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 5, 1954
For actions of May 4, 1954
83rd-2nd, No. 81

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HIGHLIGHTS: Senate passed bills to use CCC seeds on forest lands, etc., and increase excess-tobacco penalty. Senate discussed bill to earmark Sec. 32 funds for fish, etc. Rep. D'Ewart introduced and discussed bill to transfer extension work among Indians to USDA, etc.

SENATE

1. CCC SEEDS; FORESTRY. Passed as reported S. 2987, to provide for use of surplus seeds on Federal lands (p. 5604). The bill directs CCC to transfer not to exceed the following amounts of hay and pasture seeds: To Forest Service, 485,000 pounds; to Fish and Wildlife Service, 163,000 pounds; and to Bureau of Land Management, 252,000 pounds. It authorizes appropriation of \$95,000 for the Forest Service (and other amounts for the other agencies involved) to defray costs of transporting and seeding. As amended in committee, the bill authorizes appropriations to reimburse CCC for the seeds.
2. TOBACCO QUOTAS. Passed without amendment S. 3050, to increase the penalty on the marketing of tobacco in excess of the farm marketing quota from 40% to 50% of the average market price during the preceding marketing year (p. 5606).
3. FLOOD CONTROL. Passed without amendment H. R. 8377, authorizing additional appropriations for Army flood control in the Columbia River Basin (pp. 5602-3). This bill will now be sent to the President.
4. HOMESTEADING. Passed as reported S. 1823, to allow credit in connection with certain homestead entries for military or naval service rendered during the Korean conflict (pp. 5605-6).
5. SURPLUS FISH. Discussed and passed over S. 2802, to earmark Sec. 32 funds for publicity, research, etc., regarding fish and related products (pp. 5622-3).
6. RECLAMATION. Received the Interior Department report on the Dalton Gardens project, Idaho (p. 5592).
7. ST. LAWRENCE SEAWAY. Sen. Wiley spoke in favor of this project (pp. 5598-9).

8. EXPENDITURES. Sen. Martin inserted a newspaper article commending Herbert Hoover's appeal for economy in Government expenditures (p. 5599).

HOUSE

9. WATERSHED DEVELOPMENT. Rep. Miller, Kans., spoke in favor of H. R. 8602, his bill to provide for farm loans for soil conservation practices, and H. R. 6708, the Hope watershed bill (p. 5640).

BILLS INTRODUCED

10. WATERSHED DEVELOPMENT. H. R. 8981, by Rep. Angell, "to provide for further beneficial development of the water resources of the Columbia River Basin"; to Public Works Committee (p. 5649).
11. EXTENSION WORK. H. R. 8982, by Rep. D'Ewart, to transfer agricultural extension work among the Indians from the Bureau of Indian Affairs to the Extension Services of USDA and the States; to Interior and Insular Affairs Committee (p. 5649). Remarks of author (p. A3237).
12. SEED. H. R. 8985, by Rep. Harrison, Nebr., "to amend the Federal Seed Act"; to Agriculture Committee (p. 5649).
13. ELECTRIFICATION. H. R. 8986, by Rep. Mills, and H. R. 8989, by Rep. Trimble, to authorize modification of the general plan for the comprehensive development of the White River Basin to provide for additional hydroelectric power development, for the control of floods, etc.; to Public Works Committee (pp. 5649-50).
14. PERSONNEL. H. R. 8988, by Rep. Small, to amend the Civil Service Retirement Act to encourage the voluntary retirement of personnel whose effectiveness may be impaired through age and accompanying infirmities; to Post Office and Civil Service Committee (p. 5650).
- H. R. 8990, by Rep. Withrow, to provide a minimum rate of additional pay for night work performed by wage-board employees of the U. S.; to Post Office and Civil Service Committee (p. 5650).

ITEMS IN APPENDIX

15. SOIL CONSERVATION. Sen. Johnson, Tex., inserted a Fort Worth Press article containing excerpts from essays submitted by high school students participating in a contest sponsored by that paper on soil conservation, the prize-winning essay, and a newspaper article outlining the work that went into winning the Tex. championship for soil conservation work by the Dalworth Soil Conservation District (pp. A3216-7, A3223, A3233-4).
16. PRICE SUPPORTS; EXPENDITURES; ST. LAWRENCE SEAWAY. Rep. Byrd inserted the results of a poll of his constituents indicating that they favored price supports on basic farm products and the St. Lawrence seaway and that they opposed increasing the debt limit (p. A3219).
17. ST. LAWRENCE SEAWAY. Newspaper editorials, etc., on this project (pp. A3220-1, A3225-7, A3248-9).
18. PERSONNEL; EXPENDITURES. Rep. Bosch inserted National Ass'n of Pro America resolutions favoring removal of policy-making positions from civil service and opposing an increase in the debt limit (p. A3221).

mittee rooms and to shift from pillar to post. If it should be possible to obtain larger facilities, I think it would be very proper that the chaplains be provided with office space separate from the chapel itself. But the idea of providing a chapel was for the use of the Members of the Senate and the House alone.

Mr. MORSE. I know there has been informal discussion from time to time among Members of the Senate as to the desirability of an appropriate chapel to be used, for example, if it were decided by either House of Congress to do so, to hold the funeral services of Members of Congress. Facilities with good acoustics for the holding of so-called state funeral services are not available at present. I was wondering if the committee had given consideration to the desirability of a religious chapel sufficiently large for conducting state funerals, when it is desired that such state funerals be held.

Mr. MONRONEY. I think it would be very proper to do so. However, I might say that the facilities of the Capitol are so limited and so crowded that in order to provide for this particular need, which it was felt was real and pressing among the membership of Congress, a chapel was proposed which would not require expensive rebuilding of, or alterations to, the Capitol at this time.

I wish facilities were available so that such a service could be held for Members of Congress who die while here. However, since such a large space is not available, it might be that this small chapel could be used so that a deceased Member might lie in state and Members of the House and the Senate could thus pay their last respects.

I regret that the present space limitations and the chapel provided for under this concurrent resolution do not permit an auditorium of sufficient size to be useful for the purpose suggested by the distinguished Senator from Oregon.

Mr. MORSE. How large would the chapel be?

Mr. MONRONEY. It would not be much larger than an office. It would be appropriately decorated and furnished to offer facilities to the members for private meditation and prayer. It is not anticipated that space would be sufficient to hold services there. It seems to me that the need is so vital at this critical time in world history that we should go forward as rapidly as possible to minister in this way to the spiritual needs of Members of Congress. Here they could be away from the everyday problems in an atmosphere which would be conducive to meditation and prayer. Such a chapel as is provided for would enable them to have a place for spiritual inspiration.

Mr. MORSE. Mr. President, I have no objection to the proposal. I think the symbolism is very important. I believe it is well, in the critical times in which we live, that Congress use appropriate means to call attention to spiritual values, each man to his own faith when it comes to communion with his Creator. If the particular religious chapel under discussion will be of assistance to anyone in the Congress in order that he may be

in communion with his Creator, far be it from me to raise any objection. I think it would be more appropriate if the Senate gave consideration to making available a chapel which could be used for religious services when there was a need, along the lines I have suggested. However, I have no objection to the concurrent resolution.

Mr. MONRONEY. I thank the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 60) was considered and agreed to.

EXPORT-IMPORT BANK AND INTERNATIONAL BANK OPERATIONS— PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1082

The concurrent resolution (S. Con. Res. 74) authorizing the printing of additional copies of Senate Report No. 1082, a study of the operations in Latin-American countries of the Export-Import Bank and the International Bank and their relationships to the expansion of international trade, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Banking and Currency 5,000 additional copies of Senate Report No. 1082, current session, a study of the operations in Latin-American countries of the Export-Import Bank and the International Bank and their relationship to the expansion of international trade.

AUTHORIZATION FOR THE COMMITTEE ON RULES AND ADMINISTRATION TO MAKE EXPENDITURES AND EMPLOY TEMPORARY PERSONNEL—RESOLUTION PASSED OVER

The resolution (S. Res. 234) authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. SMATHERS. Over.

Mr. BARRETT. Mr. President, will the Senator withhold his objection for a moment?

Mr. SMATHERS. I am happy to withhold it.

Mr. BARRETT. I asked the Senator from Florida to withhold his objection for a brief time in order that I might say that a moment or two ago I was looking at the Associated Press dispatches, and I noticed one from Santa Fe, N. Mex. Apparently a primary election is being held there today, and the Associated Press significantly reported that for the first time in the history of New Mexico there would be voting booths in every precinct and voting place in the State of New Mexico. I think the investigation made by our committee last year and the early part of this year has had a very salutary effect on the officials of New Mexico.

I thank the Senator from Florida for permitting me to make this comment.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. SMATHERS. There is no objection to the purposes of the resolution on the part of the calendar committee. The only reason I ask that it go over is that we do not think the resolution should be agreed to on the Consent Calendar. If the majority leader cares to schedule the resolution for debate and discussion, that will be eminently agreeable with us.

The PRESIDING OFFICER. The resolution (S. Res. 234) will be passed over.

HOMESTEAD ENTRIES FOR MILITARY OR NAVAL SERVICE

The bill (S. 1823) to allow credit in connection with certain homestead entries for military or naval service rendered during the Korean conflict was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. GORE. Mr. President, I ask for an explanation of the bill.

Mr. DWORSHAK. Mr. President, the purpose of the bill is to extend to veterans of the Korean war the same homestead rights which are now enjoyed by veterans of World War II. In addition, it extends for a 5-year period the time in which veterans may exercise their preference right to secure title to lands released from withdrawal.

The committee has added an amendment recommended by the Department of the Interior to correct a defect in existing law under which some homestead applications have been granted without any compliance with the normal cultivation requirement of the homestead laws. The whole purpose of the homestead laws is to grant land to those who have demonstrated they intend to use it for farming. On that basis, lands should not be granted except to those who have placed at least a portion of the lands under cultivation. The committee amendment makes sure that that condition will be complied with.

The bill is approved by the Department of the Interior and the Bureau of the Budget, with an amendment closing the loophole in existing law.

I might add that with respect to Alaska there was a loophole in the law which would make it possible for veterans to file on homesteads and then to qualify without actually living on the land or complying with the regular homestead regulations. The bill under consideration would correct that inequality, and would merely extend to veterans of the Korean war the same preferential rights which have been enjoyed heretofore by veterans of World War II.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1823) to allow credit in connection with certain homestead entries for military or naval

service rendered during the Korean conflict, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, line 7, after the word "That", to insert "such compliance shall include bona fide cultivation of at least one-eighth of the area entered under the homestead laws:", so as to make the bill read:

Be it enacted, etc., That (a) the first sentence of the first section of the act of September 27, 1944, as amended (43 U. S. C. 279-284), is amended to read as follows: "That any person who has served in the military or naval forces of the United States for a period of at least 90 days at any time on or after September 16, 1940, and prior to the termination of the Korean conflict as determined by Presidential proclamation or concurrent resolution of the Congress, and is honorably discharged from the military or naval forces and who makes homestead entry subsequent to such discharge shall have the period of such service, not exceeding 2 years, construed to be equivalent to residence and cultivation upon the land for the same length of time."

(b) The proviso at the end of the first section of such act is amended to read as follows: "Provided, That such compliance shall include bona fide cultivation of at least one-eighth of the area entered under the homestead laws: *Provided further,* That no person who has served in the military or naval forces of the United States for a period of at least 90 days at any time on or after September 16, 1940, and prior to the termination of the Korean conflict as determined by Presidential proclamation or concurrent resolution of the Congress, and is honorably discharged shall be disqualified from making homestead entry or from any other benefits of this act merely by reason of not having reached the age of 21 years."

(c) Section 4 of such act is amended by striking out "ten years" and inserting in lieu thereof "fifteen years".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to allow credit in connection with certain homestead entries for military or naval service rendered during the Korean conflict, and for other purposes."

CONVEYANCE OF CERTAIN LAND IN POWELL TOWNSITE, WYOMING

The bill (H. R. 6988) to amend an act approved December 15, 1944, authorizing the Secretary of the Interior to convey certain land in Powell townsite, Wyoming, Shoshone reclamation project, Wyoming, to the University of Wyoming was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN TOBACCO MARKETING PENALTIES

The bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MORSE subsequently said. Mr. President, I ask unanimous consent that

the Senate revert to Senate bill 3050, calendar 1236, to amend the Agricultural Adjustment Act of 1938, as amended. I make this request for the purpose of having an explanation made. Previously, I objected to consideration of the bill during the call of the calendar; I did so on the assumption that it was a major agricultural bill. However, I have been advised that it is a minor bill, but I should like to have an explanation of it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none. Without objection, it is so ordered, and the bill is before the Senate.

Mr. MORSE. Mr. President, may we now have an explanation of the bill?

The PRESIDING OFFICER. An explanation is requested.

Mr. GORE. Mr. President, the author of the bill, the senior Senator from Kentucky [Mr. CLEMENTS] is temporarily absent from the Chamber.

Mr. HOLLAND. Mr. President, I am prepared to attempt to explain the bill, if the distinguished Senator from Tennessee wishes me to do so.

Mr. GORE. Mr. President, I was about to explain the bill; but I know that the distinguished Senator from Florida, a member of the committee, can do a much better job of explaining the bill than I can. Therefore, I am very glad to yield to him, for the purpose of having the explanation presented.

Mr. HOLLAND. I thank the distinguished Senator from Tennessee.

Mr. President, let me say to the Senator from Oregon that the bill was introduced by the senior Senator from Kentucky [Mr. CLEMENTS] and had the support of the junior Senator from Kentucky [Mr. COOPER] and of most of the other Senators from the tobacco-producing States without having any opposition which was made known to our committee.

The purpose of the bill is not to weaken, but, on the contrary, to strengthen the allotment provisions of the tobacco portion of the price-support program, by raising the penalties on tobacco produced on excess acreage over and above any allotted amount, from 40 percent of the average market price for the preceding marketing year to 50 percent of such average market price.

I checked on this matter with the people of my State who are in that industry and other members of the committee, such as the distinguished senior Senator from North Carolina [Mr. HOEY], the distinguished junior Senator from South Carolina [Mr. JOHNSTON], and other members of the committee did likewise. The reports all of us received were that the tobacco industry in general believes it would be helpful to have this measure enacted into law. It does not weaken the present law; on the contrary, it strengthens the provisions of the present law.

Mr. GORE. Furthermore, I understand that the bill applies only to tobacco.

Let me say that so far as I am advised, I have heard no objection to the bill from any Senator, any Representative, or any farmer.

Mr. HOLLAND. Mr. President, the statement the distinguished junior Senator from Tennessee has made is borne out by my experience. I received no objection from any source, and no one appeared before the committee to object. On the contrary, after all the investigation we could make, it appeared that the tobacco industry in general favors the bill.

Mr. MORSE. Mr. President, I have no objection to the bill. I believed it was a parity bill; I was mistaken about its identity.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: "The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 percent of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year."

This amendment shall become effective October 1, 1954, except that in the case of fire-cured tobacco such amendment shall become effective July 1, 1954.

COL. RICHARD ORME FLINN, JR.

The Senate proceeded to consider the bill (H. R. 4735) for the relief of Col. Richard Orme Flinn, Jr., which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That Lt. Col. Richard Orme Flinn, Jr., O-260011, Chaplains' Reserve, Army of the United States, of Carrollton, Ga., be, and he is hereby, relieved of all liability to refund to the United States any part of the moneys erroneously paid to him by the United States as subsistence and rental allowances on account of a dependent child (his ward, Jack Wheeler) for the period from March 26, 1942, to February 18, 1946, inclusive, while the said Lt. Col. Richard Orme Flinn, Jr., was on active duty as an officer in the Army of the United States. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. MADELEINE ALICE AQUARONE

The bill (H. R. 7559) for the relief of Mrs. Madeleine Alice Aquarone was considered, ordered to a third reading, read the third time, and passed.

GIUSEPPE FRUSCIONE

The bill (H. R. 2385) for the relief of Giuseppe Fruscione was considered, ordered to a third reading, read the third time, and passed.

understands that the Corps is actively engaged in a further study of this problem, and that further important revisions can be expected in the near future. The committee will expect a complete report on the accomplishments in this field during the hearings on the 1956 appropriation act."

Management improvement:

"The committee believes that the revisions in property accountability now being reviewed by the Engineer Comptroller will permit a reduction in personnel engaged in these servicing activities. The Corps of Engineers is directed to inform the committee of the results of this study when it is completed.

"The committee discussed with the Corps of Engineers the apparent disparity in the staffing of the division offices. Representatives of the Corps stated that the matter of the number of administrative and engineering employees in the division offices that are charged to general expenses in an area where perhaps some changes need to be made. They further stated that it is something that they are concerned about and propose to get into more deeply. The committee concurs in the views of the House committee as to the need for the Chief of Engineers to make a thorough study of the personnel needs and assignments in the division offices. The committee believes that such a study should cover both the employees paid from general expenses and those charged to projects.

"A measure of the effectiveness of a management improvement program is the savings in money and personnel that can be reflected in a subsequent budget estimate. In order that the committee may have a means of analyzing the current management improvement program it is suggested that the Corps periodically report on measures taken to improve management together with a statement as to the effect of such improvements on future budget estimates."

6. RECESSED until Mon., May 24 (p. 6600).

HOUSE

7. WATER FACILITIES; TOBACCO MARKETING. The Agriculture Committee ordered reported (but did not actually report) H. R. 8386, to increase the limit on individual water-facilities loans and to expand area of coverage to entire country; and S. 3050, to increase the penalty on tobacco marketed in excess of marketing quotas to 50% (now 40%) of the previous year's average price (p. D568).

8. PUBLIC LANDS. The Agriculture Committee ordered reported (but did not actually report) S. 1399, to authorize the Secretary of Agriculture to sell certain improvements on national forest land in Ariz. to the Salt River Valley Water Users Assn.; S. 1400, to permit the Secretary of Agriculture to release the reversionary rights of the U. S. in a land tract in Wake County, N. C.; H. J. Res. 458, to direct the Secretary of Agriculture to quitclaim retained rights in a tract of land in Irwin County, Ga.; H. R. 4928, to direct conveyance of part of the Animal Quarantine Station, Clifton, N. J., to the city; and H. R. 6263, to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska (p. D568).

9. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1955. As reported (see Digest 92) this bill, H. R. 9203, includes funds for the Government Printing Office, the Library of Congress, and the Botanic Garden. The committee report includes the following statements:

Library of Congress. "It is the sense of the Committee that one of the fundamental and principal duties which should occupy the new Librarian is the matter of codification, simplification, and completion of the statutes relating to the Library. . . . the Library is the instrument and the creature of the Congress. Its duties historically have been to meet the needs of the Members of Congress first and to limit its service to others to that which can be furnished with the funds and staff available.

"The Committee is disturbed to find that the Legislative Reference Service is engaging in legislative drafting work, normally considered to be the function of the Legislative Counsel. Additional funds have been provided in this bill to enable the Office of the Legislative Counsel to more adequately meet the demands for this type of service. Accordingly, the furnishing of such assistance by the Legislative Reference Service should be discontinued.

"The Committee is not satisfied with the manner in which the Legislative Reference Service is using its regular employees, particularly when Congress is not in session. Despite a thorough discussion of this problem during the hearings on the 1954 appropriation bill, it appears that little has been done to reassign the employees of this Service during slack periods to assist in handling workload in other parts of the Library. The Committee insists that further efforts be made along this line during the coming year. It is also of the opinion that many of the contracts with other Government departments could be so arranged that the workload involved could be met during the off-season. This would have the dual benefit of making the full regular staff available to Congress while it is in session and of providing worthwhile employment for the personnel of this Service during the period when Congressional workload is light.

"During the course of the hearings, there was considerable discussion of permanent versus temporary employment. From the information received, it appears that Library officials have been using lapses (funds saved through delay in filling vacancies and new positions) for the purpose of creating new temporary positions during the year. This practice cannot be condoned, since it renders meaningless justifications to Congress each year as to the number of positions required and creates a demand for more and more permanent positions to take care of persons hired on a temporary basis out of savings. These savings should be used to cover such items as within-grade salary increases, penalty-mail costs, telephone rate increases, increased printing costs, and similar operating expenses which are generally absorbed throughout the government from lapses and similar savings."

Printing. "Considerable attention was given during the hearings to the purpose and operations of the field printing offices. The Committee is requesting the Public Printer to make a special study of this matter during the coming year to determine whether or not there is any advantage to the government in continuing these field establishments. The workload in some of the offices is dropping off to the point where the overhead may make it unprofitable to continue their operation. It is expected that this special study will be completed as soon as possible and a final report made to the Joint Committee on Printing for further action. It is requested that the Appropriations Committees of both Houses be advised of such action as a basis for consideration of future appropriations."

ITEMS IN APPENDIX

10. FOOD PRICES. Sen. Thye inserted a Farm Journal editorial, "Tell the City Folks," defending the farmer against complaints about food prices and stating that agriculture's purchasing power creates high employment (pp. A3761-2).

TOBACCO MARKETING PENALTY INCREASE

MAY 28, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany S. 3050]

The Committee on Agriculture, to whom was referred the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

S. 3050 would increase the penalty on the marketing of tobacco in excess of farm marketing quotas from 40 percent to 50 percent of the average market price (calculated to the nearest whole cent) for the preceding marketing year.

The legislation has its origin among tobacco growers themselves and is intended to bring about program compliance by a few growers who plant in excess of their allotted acres.

The penalty, now at 40 percent, applies only on that part of a farmer's tobacco crop produced in excess of his quota. Testimony presented to your committee indicated that the great majority of tobacco farmers, in the interest of maintaining a sound program, desire a more effective penalty against the few growers who produce above their quotas while benefiting from the stability of price maintained by those who cooperate fully in the program.

Your committee believes S. 3050 will tend to discourage noncompliance by the few and contribute to the sound program desired by the many producers of tobacco.

DEPARTMENTAL VIEWS

Following is a letter from the Under Secretary of Agriculture, addressed to the chairman of the Senate Committee on Agriculture and Forestry, setting out the views of the Department:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 25, 1954.

HON. GEORGE D. AIKEN,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR AIKEN: This is in reply to your request of March 2, 1954, for a report on S. 3050, a bill to amend the Agricultural Adjustment Act of 1938, as amended. This bill increases the penalty on the marketing of tobacco in excess of farm marketing quotas from 40 percent to 50 percent of the average market price (calculated to the nearest whole cent) for the preceding marketing year.

Correspondence received from tobacco growers, farm organizations, Members of Congress, and others indicates that the overwhelming majority of tobacco growers favor an increase in the rate of penalty on the marketing of excess tobacco. This reflects the strong desire of tobacco growers to maintain a sound program. This concern usually arises from a few particular cases in their locality and rumors about the general situation. This concern usually is lessened when the facts are brought out.

In the case of burley tobacco which accounts for about 28 percent of the total tobacco production in continental United States, 424,900 acres were harvested in 1953. Approximately 6,500 acres or about 1½ percent were grown in excess of individual farm allotments. In the case of flue-cured tobacco, which accounts for approximately 60 percent of the total production in continental United States, 1,021,800 acres were harvested in 1953. Approximately 10,660 acres, or slightly over 1 percent were grown in excess of individual farm acreage allotments.

The present rate of penalty appears to be reasonably effective in accomplishing program purposes and the proposed increase in rate does not appear to be necessary. However, the increase probably would not affect program operations materially and in view of the attitude of tobacco growers the Department does not wish to favor or oppose S. 3050.

In view of your subsequent request, we have not obtained advice from the Budget Bureau as to the relationship of this bill to the program of the President.

Sincerely,

TRUE D. MORSE, *Under Secretary.*

CHANGES IN EXISTING LAW

In compliance with clause 3, rule XIII, of the rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

SEC. 314. (a) The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of [40 per centum] 50 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year. Such penalty shall be paid by the person who acquired such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: *Provided*, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm-acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for

the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco so carried over does not exceed the normal production of that number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins.



Union Calendar No. 619

83^D CONGRESS
2^D SESSION

S. 3050

[Report No. 1687]

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 1954

Referred to the Committee on Agriculture

MAY 28, 1954

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

To amend the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 314 (a) of the Agricul-
4 tural Adjustment Act of 1938, as amended, is hereby
5 amended to read as follows: "The marketing of any kind of
6 tobacco in excess of the marketing quota for the farm on
7 which the tobacco is produced shall be subject to a penalty
8 of 50 per centum of the average market price (calculated to
9 the nearest whole cent) for such kind of tobacco for the
10 immediately preceding marketing year."

11 This amendment shall become effective October 1, 1954,

1 except that in the case of flue-cured tobacco such amend-
 2 ment shall become effective July 1, 1954.

Passed the Senate May 4 (legislative day, April 14),
 1954.

Attest:

J. MARK TRICE,

Secretary.

Union Calendar No. 619

83d CONGRESS
 2d SESSION

S. 3050

[Report No. 1687]

AN ACT

To amend the Agricultural Adjustment Act of
 1938, as amended.

MAY 5, 1954

Referred to the Committee on Agriculture

MAY 28, 1954

Committed to the Committee of the Whole House on
 the State of the Union and ordered to be printed

out of the disaster loan revolving fund, in any area where the Secretary finds need for agricultural credit which could not otherwise be met, until June 30, 1955 (p. 7327). The Senate has passed S. 3245 on the same subject, but the language is somewhat different.

12. TOBACCO QUOTAS. Passed with amendment S. 3050, to increase (from 40% to 50% of the average market price) the penalty for marketing of tobacco in excess of marketing quotas. Agreed to an amendment by Rep. Deane to make the bill effective Dec. 1 instead of Oct. 1. (p. 7331.)
13. LABOR-HEW APPROPRIATION BILL, 1955. The Appropriations Committee reported this bill, H. R. 9447, without amendment on June 4, while the House was in adjournment (p. 7370).
14. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 8583 (p. 7320). Senate conferees have been appointed.
15. PERSONNEL. Received the Post Office and Civil Service Committee's reports on appeals and grievance procedures in the Federal Government (H. Rept. 1759) and the first intermediate report by the Subcommittee on Manpower Utilization (H. Rept. 1760) (p. 7370).
Rep. Moss spoke in favor of a payraise for Federal classified employees "at least equal to the 7 percent raise granted Post Office Department employees in the bill already reported out by the House Post Office and Civil Service Committee" (p. 7343).
16. VETERANS' BENEFITS. Passed without amendment S. 1823, to give to veterans of the Korean conflict the same credit for military service toward meeting the requirements of the homestead laws as is now given to veterans of World War II (pp. 7328-9). This bill will now be sent to the President.
17. FORESTRY. Rep. Ellsworth, and others, discussed H. R. 5958, to settle the jurisdictional question between this Department and the Interior Department over "controverted" Oregon and California timberlands, and at the request of Rep. Miller (Nebr.) it was stricken from the Consent Calendar. Rep. Miller indicated that the bill would be referred to the Rules Committee. (p. 7329).
Passed as reported S. 1399, to authorize sale of certain improvements on national forest land in Arizona to the Salt River Valley Water Users Association (pp. 7330-1).
18. LAND TRANSFER. Passed without amendment H. J. Res. 458, to direct the Secretary of Agriculture to quitclaim retained rights in a tract of land to the Board of Education of Irwin County, Ga. (p. 7331).
19. BANKING AND CURRENCY. Rep. Patman claimed the Federal Reserve Board should be required to support Government bonds at par (pp. 7348-65).
20. ELECTRIFICATION. Passed with amendment S. 3090, to authorize the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande with provision for preference to REA cooperatives and others (pp. 7329-30).
21. EDUCATION. Rep. Brown (Ga.) spoke on the importance of the vocational educational program, and favored appropriation of the full amount authorized by the George-Barden Act for this purpose (pp. 7344-5).

22. HOUSING LOANS. Rep. Fisher objected to a conference on H. R. 7839, which includes a provision continuing the rural-housing loan program (p. 7340).
23. SOCIAL SECURITY. Rep. Reed (N.Y.) inserted a comparative analysis of present law and the changes proposed thereto by H. R. 7199 and H. R. 9366, to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program to other groups, including self-employed farmers and additional farm workers, etc. (pp. 7311-8).

ITEMS IN APPENDIX

24. DAIRY INDUSTRY. Rep. Springer inserted a Department summary of dairy price support purchases and uses in May 1954 (p. A4196).
Rep. Harden inserted a Country Gentleman article discussing the dairy industry problem and stating that "There are two ways to get out of it--produce less or sell more milk" (p. A4198).
25. SOIL CONSERVATION. Sen. Johnson, Tex., inserted an article briefly outlining the work during the last 14 years of the first soil conservation district established in Tex. (pp. A4202-3).
26. FORESTRY. Rep. Ellsworth inserted an American Forests magazine article explaining "why full crop development based upon full crop utilization has become the guide-post in Douglas-fir region forestry" (pp. A4213-5).
27. SOCIAL SECURITY. Speech of Rep. Vursell stating, "I am concerned and doubt the wisdom of the inclusion of self-employed farmers under social security" (p. A4216).
28. ELECTRIFICATION. Sen. Butler, Nebr., inserted his statement commending the progress made by REA under the present administration (pp. A4217-8).

BILLS INTRODUCED

29. ANIMAL FOOD. H.R. 9448, by Rep. Bailey, to amend the act of May 29, 1884, as amended, the act of Feb. 2, 1903, as amended, the act of Mar. 3, 1905, as amended, and the first proviso under the heading "General Expenses, Bureau of Animal Industry" in the act of June 30, 1914, as amended, to include all domestic animals within their provisions; to Agriculture Committee (p. 7370).
30. DAIRY INDUSTRY. H.R. 9450, by Rep. Bow, to provide an adequate, balanced, and orderly flow of milk and dairy products in interstate and foreign commerce, to stabilize prices of milk and dairy products, to impose a stabilization fee on the marketing of milk and butterfat; to Agriculture Committee (p. 7370).
31. FARM LANDS. H.R. 9454, by Rep. Harrison, Wyo., to amend section 4 of the act of Aug. 13, 1953, relating to the exchange of farm units on Federal irrigation projects; to Interior and Insular Affairs Committee (p. 7370).
32. WATER RESOURCES. H.R. 9459, by Rep. Miller, Nebr., to authorize the Sec. of the Interior to investigate and report to the Congress on the conservation, development, and utilization of the water resources of Alaska; to Interior and Insular Affairs Committee (p. 7370).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized in his discretion to sell to the Salt River Valley Water Users Association of Arizona, for cash, at a fair appraised value to be determined by him, the following described improvements on national forest lands situated in an unsurveyed portion of township 4 north, range 12 east, Gila and Salt River Meridian, estimated to be within the southwest quarter of the northeast quarter of section 20 of that township in Gila County, State of Arizona.

All buildings and other physical improvements owned by the United States and under the administration of the Forest Service, Department of Agriculture, situated at the reclamation settlement of Roosevelt, Ariz.

The proceeds of such sale or sales shall, if sufficient for the purpose, be available to the Secretary of Agriculture for the development and improvement of a Forest Service ranger station located elsewhere in the Tonto National Forest. If the development and improvement of such ranger station cannot be accomplished without the use of funds in excess of such proceeds, such proceeds shall be covered into the Treasury as miscellaneous receipts.

With the following committee amendments:

Page 1, line 11, strike out the period at the end of the sentence and insert in lieu thereof a colon.

Page 2, line 1, strike out "All" and insert in lieu thereof "all."

Page 2, lines 8 and 9, strike out the word "station" wherever it appears in each line and substitute the word "dwelling."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOBACCO MARKETING PENALTY INCREASE

The Clerk called the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I understand the gentleman from North Carolina intends to offer an amendment. I am not familiar with the amendment. I would request that before we consider the bill the gentleman from North Carolina inform us as to whether or not his amendment has been cleared with the Committee on Agriculture.

Mr. DEANE. I would say to the gentleman from Michigan [Mr. Ford] that I have not been able to talk with the gentleman from Kansas [Mr. Hope], but I am advised by Members from the tobacco-growing States on both sides of the aisle that the amendment is satisfactory.

Mr. WATTS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Kentucky.

Mr. WATTS. Mr. Speaker, I introduced a similar bill in the House on this subject. I have not spoken to the gentleman from Kansas [Mr. Hope] in reference to this matter, but I have spoken

to other folks who are interested in the bill, and they are not opposed to the amendment that will be offered.

Mr. FORD. In light of the assurances that have been given that the proposed amendment has been cleared with parties interested in agriculture, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: "The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 percent of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year."

This amendment shall become effective October 1, 1954, except that in the case of flue-cured tobacco such amendment shall become effective July 1, 1954.

Mr. DEANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEANE: Page 1, line 11, after the word "effective", strike "October 1" and insert "December 1."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING PENALTIES FOR SMUGGLING

The Clerk called the bill (H. R. 6113) to amend title 18 of the United States Code, so as to increase the penalties applicable to the smuggling of goods into the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 545 of title 18, United States Code, is amended by striking out "\$5,000" and inserting in lieu thereof "\$10,000", and by striking out "two years" and inserting in lieu thereof "five years."

SEC. 2. The amendments made by the first section of this act shall apply only with respect to offenses committed on and after the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING TITLE II, FIRST WAR POWERS ACT, 1941

The Clerk called the bill (H. R. 8008) to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

QUITCLAIM DEED TO LANDS IN IRWIN COUNTY, GA.

The Clerk called the joint resolution (H. J. Res. 458) to authorize and direct the Secretary of Agriculture to quitclaim retained rights in a certain tract of land to the board of education of Irwin County, Ga., and for other purposes.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That the Secretary of Agriculture is authorized and directed to execute and deliver to the board of education of Irwin County, Ga., its successors and assigns, a quitclaim deed conveying and releasing into the said board of education of Irwin County, Ga., its successors and assigns, all of the right, title, and interest of the United States of America in and to that certain tract of land containing eight and forty-eight one-thousandths acres, more or less, in Irwin County, Ga., and more particularly described in the quitclaim deed from the United States of America to the board of education of Irwin County, Ga., dated December 6, 1945, and recorded on December 19, 1945, in deed book 19, pages 428-429, in the office of the clerk of the Superior Court of Irwin County, Ga.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES

The Clerk called the joint resolution (H. J. Res. 243) to amend the pledge of allegiance to the flag of the United States of America.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, Senate Joint Resolution 126 is similar to House Joint Resolution 243. The differences between the two do not go to the merits of the bill at all. I ask unanimous consent, therefore, that Senate Joint Resolution 126 be substituted for House Joint Resolution 243.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. OLIVER P. BOLTON. Mr. Speaker, reserving the right to object, but I shall not object, I want to take this opportunity to express my satisfaction that the other body as well as the members of the House Committee on the Judiciary have seen fit to report to the floor of this body for action today a proposal to amend the pledge of allegiance to the flag in the manner which I suggested in House Joint Resolution 383. The fact that both this and the other body will adopt the wording which I recommended is naturally exceedingly gratifying. The significant import of our action today, however, is that we are officially recognizing once again this Nation's adherence to our belief in a divine spirit, and that henceforth millions of our citizens will be acknowledging this belief every time they pledge allegiance to our flag.

It is particularly significant, also, that we take this action at this time if, as I understand we are to do, we adopt Senate Joint Resolution 126 as a substitute for the bill under consideration, this measure will be ready for our President's signature by Flag Day next week.

It comes at a time when throughout our land and throughout the world some people express doubt, yes, doubt and even fear, regarding the future. They see the storm clouds blowing up on the horizon and sometimes not the sun behind. They see arrayed against this Nation, and the way of life which it represents, a dictatorial policy that recognizes no God and no divinity in man. Under communism, men are mere cogs in a machine, without rights, without souls, without future, without hope.

Our Nation has long recognized that if we are to survive this challenge of materialism, of selfishness, of immorality, it will only be with the help of a power greater than our own.

Our Founding Fathers, who guided this Nation through many perilous storms were not afraid to declare their faith in God and their dependence upon that faith to meet the supreme challenges which they faced. The Government which they established here upon the North American Continent recognized that men are created by God and endowed by Him with certain unalienable rights. To protect those rights and to make certain that those who govern this Nation respect those rights, they created a constitutional form of government that has endured for 165 years—a republic in which the rights of the individual are protected under law. One hundred and seventy-six years ago today at a meeting of a Continental Congress in Independence Hall the first resolution "That these united colonies are, and of right ought to be, free and independent States," was first introduced. How fitting that we here today should take action to once more affirm our belief in the unalienable rights of man and the guidance of a divine spirit.

Once again we are proclaiming to the world that there is hope, that there is a future worth planning for, and that the flag which flies over our land is a symbol of a nation and of a people under God.

Mr. RABAUT. Mr. Speaker, reserving the right to object—

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I asked that the Senate joint resolution be substituted for the House joint resolution. The gentleman is the author of the House joint resolution. Has he any objection to the substitution?

Mr. RABAUT. Yes; I am opposed to the substitution and I would like to give my reasons for my opposition to the substitute.

It was on April 3, 1953, that I first received a letter from a gentleman in Brooklyn who suggested that the words "under God" be placed in the pledge of allegiance to the flag. On April 20, 1953, I introduced House Joint Resolution 243

to place the words "under God" in the pledge of allegiance, so that it would read "one Nation under God."

On February 7, 1954, the Reverend George M. Docherty, of the New York Avenue Presbyterian Church, in his sermon, with the President of the United States in attendance, spoke on the subject of Lincoln's Gettysburg Address, and urged that the words "under God" be added to the pledge of allegiance to the flag.

On February 10, 1954, Senate Joint Resolution 126, to amend the pledge of allegiance to include the phrase "under God" after the word "indivisible", was introduced so that it would read "one Nation indivisible under God." Now, mind you, that was 10 months after the original bill was introduced in the House.

On April 5, 1954, the Senate Committee on the Judiciary met and decided to postpone action indefinitely on Senate Joint Resolution 126.

On May 5, 1954, I appeared before Subcommittee No. 5 of the House Committee on the Judiciary in support of House Joint Resolution 243. The subcommittee unanimously reported the resolution favorably to the full committee. That afternoon I addressed the House, commented on the background of the pledge, gave my reasons for introducing it, and announced the unanimous report of the subcommittee.

On May 10, 1954, the Senate Committee on the Judiciary favorably reported Senate Joint Resolution 126—just 5 days after the committee on the House acted, after it was laid aside for an indefinite period—with an amendment which changed the wording to conform with the language of the original resolution, House Joint Resolution 243; namely, "one Nation under God, indivisible."

On May 11, 1954, the very next day, the Senate passed the resolution and sent it to the House, where it was referred to the Committee on the Judiciary.

On May 20, 1954, the House Committee on the Judiciary discussed both resolutions and agreed to continue consideration to the next executive session.

On May 28, 1954, the committee reported the House resolution to the House, and that is the resolution that is before the House today. The Senate resolution is not before the House. The Senate resolution is before the Committee on the Judiciary of the House.

Now, there were 17 bills dropped into the hopper on this important subject, 1 of which was a Senate resolution in the other body.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Since the Senate resolution has already passed, and in order to expedite the matter, is there any fundamental difference between the 2 resolutions whereby 1 should not be substituted for the other?

Mr. RABAUT. No. It is just a question of championship for the House position, 16 to 1. Sixteen Members of this House have placed resolutions in the hopper. It happens that my resolution

was the granddaddy of them all, and I see no reason why we should not pass the House resolution, and for that reason I object to a change.

(Mr. BROOKS of Louisiana asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. BROOKS of Louisiana addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. EBERHARTER. Mr. Speaker, further reserving the right to object, I want to commend the gentleman from Ohio [Mr. OLIVER P. BOLTON] and particularly congratulate the gentleman from Michigan [Mr. RABAUT], on the position he has taken, and furthermore to congratulate him as being the person who originally placed the resolution before the House adding the words "under God."

It will be recalled by the Members here today that for many years the pledge of allegiance was extensively used throughout the United States, but it was never the official pledge of allegiance to the flag of the United States of America until about 7 or 8 years ago when I introduced a resolution in the House which made it by law, by statute, the official pledge of allegiance to the flag of the United States of America. So when the gentleman from Michigan [Mr. RABAUT] introduced his resolution to add those two words "under God" I was consulted about the matter by other persons who were interested, as well as by the gentleman from Michigan [Mr. RABAUT] and, of course, I have my wholehearted support to the idea.

I agree with the position taken by the gentleman from Michigan [Mr. RABAUT] and I hope the House will see fit unanimously to pass this resolution amending the official pledge of allegiance to the flag of the United States of America.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HALLECK. Mr. Speaker, reserving the right to object, I do this for the purpose of presenting a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. As I understand it, if the gentleman from Michigan [Mr. RABAUT] persists in his objection to the substitution of the Senate bill, then if this bill is passed without objection, the House will have passed a bill which will go over to the other body and the measure already passed by the other body will still be here waiting action.

The SPEAKER. The gentleman is correct.

Mr. HALLECK. In other words, the gentleman's refusal to permit the substitution of the Senate bill might result in a situation where neither one of these bills would become law.

The SPEAKER. That could be because this subject matter would then have to be passed upon by the Senate.

Mr. RABAUT. Mr. Speaker, will the gentleman yield to me?

Mr. HALLECK. I yield to the gentleman under my reservation of objection.

Mr. RABAUT. I have taken into consideration the fact that time is of the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of June 8, 1954
83rd-2nd, No. 105

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HIGHLIGHTS: House committee voted to continue 90% price supports and to report bill for disposal of surplus commodities to foreign countries. House passed amended version of bill to increase excess-tobacco penalty. House committee voted to report bill to transfer CCC seed to Forest Service, etc. House committee reported bill to earmark part of Sec. 32 funds for fishery products. House debated Labor-HEW appropriation bill. Rep. Patman criticized bill to authorize increase in interest on farm-tenant loans. Rep. Miller, Kans., spoke in favor of watershed bill and soil-conservation loans bill. House received appropriation estimate for forest roads and trails. Sen. Kefauver introduced and discussed bill to continue 90% price supports for 2 years. Rep. Byrd commended USDA for distribution of surplus commodities in W. Va. Senate committee ordered reported bill transferring Indian extension work to USDA, etc. Sens. Ferguson and Holland spoke in favor of flexible price supports. Sen. Gore and others recommended extension of Trade Agreements Act. Rep. Byrnes, Wis., introduced and discussed customs simplification bill.

HOUSE

1. PRICE SUPPORTS; SURPLUS COMMODITIES. The "Daily Digest" states: "Committee on Agriculture: Agreed to report to the House S. 2475, relative to sale and disposal of surplus agricultural commodities to foreign countries. The text of this Senate bill was replaced by language presently contained in the House committee print which has been under study by the committee... Voted (21 to 8) that the level of support to cooperators shall be 90 percent of the parity price of the 1955 crop of any basic commodity, with respect to which producers have not disapproved marketing quotas." (p. D647.)
2. TOBACCO QUOTAS. Vacated the previous passage of S. 3050, to increase the penalty on marketing tobacco in excess of quotas, and passed the bill again with an amendment by Rep. Deane, N. C., to make the bill effective July 1, 1955, instead of July 1, 1954 (p. 7413).
3. FISHERY PRODUCTS. The Merchant Marine and Fisheries Committee reported without amendment S. 2802, to earmark part of Sec. 32 funds for education, publicity, and research on fish and related products for a temporary period (H. Rept. 1770)(p. 7454).

- LABOR-HEW APPROPRIATION BILL, 1955. Began and concluded general debate on this bill, H. R. 9447 (pp. 7417-46). It is expected that the bill will be read for amendment beginning today. Rep. Marshall spoke in support of the vocational education item with respect to its application to agriculture (p. 7440).

Following are excerpts from the committee report:

Mexican farm labor program. "The bill includes \$1,521,000, a reduction of \$225,000 from the request, and \$207,000 from the amount appropriated for 1954. The amount approved is the full amount requested, except that no funds are included to cover the cost of medical examinations, estimated at \$225,000. After the budget was prepared, the Comptroller General ruled that these costs are legal charges against the revolving fund supported by fees charged the growers who use this labor."

Education. "Further endowment of Colleges of Agriculture and the Mechanic Arts.--The bill includes \$2,501,500, the full amount of the request and the same as the amount appropriated for 1954."

- CCC SEEDS; FORESTRY. The Banking and Currency Committee voted to report (but did not actually report) S. 2987, to transfer certain surplus CCC seeds to the Forest Service and BLM for seeding (p. D647).
- FORESTRY. The Interior and Insular Affairs Committee's public lands subcommittee voted to report to the full committee H. R. 1254, amended, to authorize long-term leases of Forest Service lands, etc. (p. D648).
- LAND TRANSFERS. Passed without amendment S. 1400, to permit the Secretary of Agriculture to release the reversionary rights of the U. S. in and to a tract of former FHA land in Wake County, N. C. (p. 7412). This bill will now be sent to the President.
Passed as reported H. R. 6263, to return to the Rotary Club of Ketchikan, Alaska, a tract of land which had been donated to the Forest Service by the Club (p. 7413).
- FARM LOANS. Rep. Patman criticized H. R. 8656, which would authorize the Department to permit increased interest rates on insured loans under the Bankhead-Jones Farm Tenant Act (pp. 7436-7).
- SOIL CONSERVATION; FARM LOANS. Rep. Miller, Kans., spoke in favor of his bill to authorize insured loans for soil-conservation expenses and the Hope-Aiken watershed bill (pp. 7451-3).
- 0. APPROPRIATIONS. Received from the President an omnibus submission of supplemental appropriation estimates; to Appropriations Committee (H. Doc. 428) (p. 7454). One of these items is \$16,000,000 for liquidation of obligations incurred for expenses and payment of contract earnings for forest roads and trails, pursuant to the Federal Aid Highway Act of 1954, of which \$9,500,000 would be derived by transfer from the 1955 appropriation for forest roads and trails.

SENATE

1. FORESTRY. Concurred in the House amendments to S. 1399, to authorize sale of certain improvements on national forest land in Arizona to the Salt River Valley Water Users Association (p. 7379). This bill will now be sent to the President.
2. EXTENSION SERVICE; MINERALS; RECLAMATION. The Interior and Insular Affairs

CONVEYANCE OF LANDS IN ALASKA TO ROTARY CLUB OF KETCHIKAN

The Clerk called the bill (H. R. 6263) to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized to convey by quitclaim deed to the Rotary Club of Ketchikan, Alaska, all right, title, and interest of the United States in and to that certain tract of land donated to the United States of America by said Rotary Club of Ketchikan, Alaska, by deed dated March 12, 1942, recorded in the land records of district 8, division No. 1, Territory of Alaska, on March 20, 1942, in volume S of deeds, at page 574, except a strip of land 7 feet in width located along the northeasterly boundary of said tract.

With the following committee amendments:

Page 1, line 4, after the word "Alaska", insert the words "for use of public purposes."

Page 1, line 12, at the end of the sentence add the following: "Such land shall be conveyed on the express condition that if at any time the said lands shall cease to be used for public purposes title thereto shall revert to and become vested in the United States of America."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SMITH of Wisconsin. Mr. Speaker, the balance of the bills on the calendar are not to be called today. No reports have been filed.

The SPEAKER. If the committee is not prepared, the gentleman may ask unanimous consent that the further reading of the calendar be dispensed with.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that further reading of the bills on the Private Calendar be dispensed with.

The SPEAKER. Is there objection? There was no objection.

TRADING WITH THE ENEMY ACT

(Mr. CURTIS of Nebraska asked and was given permission to extend his remarks at this point in the Record.)

Mr. CURTIS of Nebraska. Mr. Speaker, I am today introducing a bill to amend the Trading With the Enemy Act. The number that has been assigned to my bill is H. R. 9475. My bill is a companion bill to an earlier one introduced by the gentlewoman from New York [Mrs. St. GEORGE].

The purpose of this bill is to bring about the return of private property of individual German citizens and the estates and trusts of American citizens which have been taken by our Government. I believe that the action of this Congress of some years ago in regard to this matter was in error and that we should at this time undertake to rectify that.

It is my understanding that our Secretary of State, the Honorable John Foster Dulles, has taken the position that

private property of enemy citizens must not be confiscated, but held inviolate. This position is certainly sound, right, and in accord with American tradition. After all, the property in question is not enemy property within the strict sense of the word, nor is it enemy property within the spirit of the Trading With the Enemy Act.

Mr. Speaker, I hope that the interested departments can report favorably on this bill so that action can be taken in this Congress.

TOBACCO MARKETING PENALTY INCREASE

Mr. DEANE of North Carolina. Mr. Speaker, I ask unanimous consent to vacate the proceedings whereby the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, was amended, read a third time and passed on yesterday, for the purpose of offering a corrective amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from North Carolina.

The Clerk read as follows:

Amendment offered by Mr. DEANE: On page 1, line 13, strike out "July 1, 1954" and insert "July 1, 1955."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDING ACT OF CONGRESS OF SEPTEMBER 3, 1935 (49 STAT. 1085), AS AMENDED

Mr. MILLER of Nebraska. Mr. Speaker, I call up the conference report on the bill (H. R. 2828) to amend the act of Congress of September 3, 1935 (49 Stat. 1085), as amended, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see CONGRESSIONAL RECORD of June 7, 1954.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to; and a motion to reconsider was laid on the table.

THE LATE HONORABLE MAURY MAVERICK

(Mr. KILDAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDAY. Mr. Speaker, it is my sad duty to inform the House of the death on yesterday afternoon of a distinguished former Member of this body, the Honorable Maury Maverick, of San Antonio, Tex.

Mr. Maverick served as a Member of this body during the 74th and 75th Congresses, from 1935 to 1939. He was a strong advocate of the causes he espoused. He was no compromiser on principle. He was an able, strong, and worthy opponent. Those he agreed with and those he disagreed with mourn his untimely passing.

Mr. Maverick was born in San Antonio, Tex., October 23, 1895. He was educated in the public schools of San Antonio, the Virginia Military Institute, and the University of Texas. He was admitted to the bar at the age of 20. He served as an infantry officer in World War I and was very severely wounded on October 4, 1918. He was cited for gallantry in action and extremely meritorious service, was awarded the Silver Star and the Purple Heart.

At the age of 23 he became president of the San Antonio Bar Association. In 1929 he was elected tax collector of Bexar County and was reelected in 1931. He was elected to the 74th and 75th Congresses; and, subsequently, from 1939 to 1941 he served as mayor of his native city of San Antonio.

During World War II he served on the War Production Board and as head of the Smaller War Plants Corporation.

Mr. Maverick is survived by his wife, by his son, and by his daughter. All those who disagreed and all those who agreed with him extend to his family their heartfelt sympathy at his untimely passing, which marks the termination of a brilliant career at a rather early age.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield to the minority leader.

Mr. RAYBURN. I was saddened this morning when I read in the paper of the passing of our old friend, Mr. Maury Maverick, and when I say "old friend" I mean that, because he and I were friends throughout the years we knew each other.

As my colleague from that district has just said, many people agreed with Maury Maverick, and many others disagreed with him. He was a fighter, but he was a fair fighter. He was a highly intelligent and an intensely patriotic American citizen. He had a wonderful life, a useful life, and, by his temperament, it was an exciting life. We will not see many more of his kind.

I loved him, and he knew how to give love and friendship in return for love and friendship.

To his very able and brilliant wife, a lovely woman, and to his son and to his daughter I extend my deepest and most heartfelt sympathy.

(On request of Mr. KILDAY, and by unanimous consent, all Members were given permission to extend their remarks on the life, character, and public service of the late Hon. Maury Maverick.)

Mr. PATMAN. Mr. Speaker, I was very sorry to learn about the passing of the Honorable Maury Maverick.

Maury enjoyed an active and wholesome life. I had the privilege of serving with him a number of years in the Congress; he was one of the most courageous and forthright men I have ever known. Even though he was standing alone, if he believed that he was right, he did not hesitate to announce himself on any proposal involving the public interest. It often happened that Maury's minority views later became recognized as majority views. He was always a crusader for what he believed was right and particularly in behalf of those proposals involving our national interests.

He was a patriotic man and one of the few who carried the scars of battle to his grave because of his devoted and courageous service to his country and in time of war and on the battlefield. Maury suffered intense, excruciating pain from gunshot wounds received upon the field of battle for many, many years as he was confined to hospital beds.

Maury was not only an original person, he was very versatile and always thinking of constructive things to do and doing them in the interest of all the people.

Maury Maverick is gone, but many of the fine and good things of life he inspired and encouraged will continue on.

There are two kinds of crusaders in our country: One kind that is always in a construction gang, crusading for something that is good and helpful to all the people; the other type crusader belongs to a wrecking crew, who is always thinking of self and becoming a party to things that are destructive. Maury was always in the construction gang and never in the wrecking crew.

Our country suffered a tremendous loss in the loss of Maury Maverick, who was one of America's greatest patriots—one of our greatest Americans.

Mr. HAYS of Arkansas. Mr. Speaker, in the passing of Maury Maverick America loses a dynamic leader, a sincere earnest friend of all who needed help—a great Texan and a great patriot. It was my privilege to work with him in agricultural programs before my election to the Congress and I came to appreciate those qualities which brought distinction to him and to his family. I am grieved to learn of his untimely death.

Mr. LYLE. Mr. Speaker, Maury Maverick was many things to many people, but to all men he was dynamic and personable. All will regret his untimely death. He brought vigor and life to every undertaking in which he engaged, and with few exceptions, he brought accomplishments.

He was at all times a controversial figure, but always a good public official.

Maury Maverick was shockingly frank, but refreshingly candid. He was a man of original thought, and never afraid to look ahead. Texas and the Nation will miss this unusual individualist.

COMMITTEE ON EDUCATION AND LABOR

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Education and Labor may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. ARENDS]?

There was no objection.

SIMPLIFICATION OF TARIFF SCHEDULES

(Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD and include an analysis of the Customs Simplification Act of 1954.)

Mr. BYRNES of Wisconsin. Mr. Speaker, I have today introduced H. R. 9476, a bill designed, first, to provide for the simplification of tariff schedules; second, to improve procedures for classifying articles not specifically enumerated in the tariff schedules; third, to improve procedures under the Anti-dumping Act of 1921; and, fourth, to close loopholes and remove conflicts and obsolete provisions in administrative provisions of the customs laws.

A beginning was made last year, in the Customs Simplification Act of 1953, in removing from the customs statutes provisions that caused unnecessary difficulty and delay in customs procedures. I am advised that this act has contributed greatly to the ability of the customs service, without increasing personnel, to reverse the trend of constantly rising backlogs of unliquidated entries, which had been continuous since the war, and to make great strides within the last 6 months toward getting on a current basis.

In his message of March 30, 1954, on foreign economic policy, the President pointed out that there is much more to be done in this direction and urged prompt action. This bill is intended to carry out these recommendations.

Title I directs the Tariff Commission, on the basis of a thorough study, to propose within 2 years a revision of the commodity classification schedule, for the purpose of reflecting changes in the character of imports since 1930, eliminating anomalies of classification, and simplifying the application of the classification schedules. Where, in this process, a rate is revised, either by consolidating the classification of separate commodities or by revising the form of the rate, the revised rate must produce the same amount of duty as the old rates, within specified tolerance. A peril-point provision is included, as well as a prohibition of transfers to the free list, or of any action inconsistent with section 22 of the Agricultural Adjustment Act.

After the Tariff Commission has made its preliminary reclassification, adequate public hearings will be held. At the conclusion of these hearings, the Tariff Commission will revise its recommendations and submit them to the President. The President is then authorized to secure the necessary consents to the revised rates from the foreign nations with which the United States has trade agreements, and, having done so, to transmit the proposed schedules to Congress. If they are not disapproved as a unit by a majority of the authorized membership of either House of Congress within 60 days of submission, the President may proclaim the effectiveness of the new classification schedules.

Title II of the bill improves and simplifies the standards for classification of articles not specifically enumerated in the present tariff schedules.

Title III, which deals with the anti-dumping law, is intended to remove a possibility of unfair retroactivity which is interfering with the administration of the law, and to transfer the determination of injury to American industry required by the law from the Treasury to the Tariff Commission, which is better equipped to make that determination.

Title IV closes loopholes that have developed in tariffs on imports from insular possessions. Title V eliminates duplication between the Tariff and Trade-Mark Acts regarding the import of trade-marked articles. Title VI repeals obsolete administrative provisions of the Tariff Act; and title VII cures certain difficulties in its enforcement and administrative provisions. These provisions are further explained in the section-by-section analysis of the bill which I include as a part of my remarks.

This bill will, I am convinced, advance the President's program by carrying forward the work begun last year of simplifying customs procedures and tariff administration; and I intend to press for action on it at this session of Congress.

ANALYSIS OF THE CUSTOMS SIMPLIFICATION ACT OF 1954

TITLE I—REVISION OF CUSTOMS TARIFF SCHEDULES

Recent legislative proposals to amend the Tariff Act of 1930 have been directed at eliminating delay and uncertainty existing under that law as interpreted by the courts. The Customs Simplification Act of 1953 corrected a number of causes for such delay in the ordinary customs administrative processes. H. R. 6584, of this Congress, is designed to alleviate many of the uncertainties and reasons for delay in the standards and procedure for valuation of goods subject to ad valorem duties.

This leaves for consideration, among other things, the uncertainties and delays in the administration of the customs laws arising in connection with the determination of the proper classification of an imported article. A principal difficulty encountered by both experienced and inexperienced importers is the complexity and lack of systematic statement found in the tariff schedules as enacted in 1930 and since modified by statute and by actions under the flexible-tariff provisions and the trade-agreements program. These schedules today are conglomerations of provisions which have been carried from tariff act to tariff act for over 50 years, provisions newly devised in 1930 or in 1922, and provisions devised to meet the exigencies of duty

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House passed O&C land jurisdiction bill. House committees reported bills to dispose of surplus commodities and to authorize Colo. reclamation project. House debated Labor-HEW appropriation bill. Senate concurred in House amendments to bill to increase excess-tobacco penalty. Senate committees reported State, Justice, Commerce appropriation bill. Sen. Beall defended Secretary's price-support program. Sen. Gillette criticized leadership for not acting sooner on trade-agreements bill, and Sen. Ferguson took issue with him. Sen. Thye inserted his recent speech discussing use of surplus commodities.

HOUSE

1. FORESTRY. Passed without amendment S. 2225, relating to administrative jurisdiction over certain O&C land in Oreg. (pp. 7539-41). This bill will now be sent to the President. The bill provides for continued administration of the controverted lands by the Forest Service, with accounting of funds heretofore or hereafter received to be the same as for other O&C land receipts, and provides for consolidation of the checker-board administrative areas through exchanges of land by the Agriculture and Interior Departments.
2. SURPLUS COMMODITIES. The Agriculture Committee reported with amendment S. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the U. S. (H. Rept. 1776) (p. 7552).
3. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 4449, to authorize Interior to construct, operate, and maintain the Colorado River storage project and participating projects (H. Rept. 1774) (p. 7552).
4. LABOR-HEW APPROPRIATION BILL, 1955. Continued debate on this bill, H. R. 9447 (pp. 7505-39). Agreed to an amendment by Rep. Abbitt to increase by \$5,298,750 the amount for vocational education, particularly in agriculture (pp. 7516-32). Rejected, 77-81, an amendment by Rep. Van Zandt to provide \$100,000, under Bureau of Labor Standards, for assisting organizations that work to improve the condition of migratory farm workers (pp. 7505-10).
5. LEGISLATIVE PROGRAM. Rep. Halleck said debate would continue on the Labor-HEW

appropriation bill
/today and that the trade-agreements bill will be considered Friday (p. 7541).

SENATE

6. TOBACCO QUOTAS. Concurred in the House amendments to S. 3050, to increase the penalty on marketing tobacco in excess of quotas from 40% to 50% of the average market price, effective July 1, 1955 (pp. 7498-9). This bill will now be sent to the President.
7. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 8067 (S. Rept. 1541)(p. 7458).
8. MOTOR VEHICLES; PROPERTY; EXTENSION WORK. The Government Operations Committee reported without amendment S. 3199, to authorize additional use of Government motor vehicles at isolated Government installations (S. Rept. 1536); S. 3243, to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation (S. Rept. 1537); and H. J. Res. 300, to sell certain surplus land in Kerr County, Tex., to the Texas Hill County Development Foundation for use of 4-H clubs, etc. (S. Rept. 1538)(p. 7458).
8. PERSONNEL; EXPENDITURES. Sen. Byrd inserted an additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures regarding employment (pp. 7458-61).
9. TRADE AGREEMENTS. Sen. Gillette spoke in favor of continuation of the Reciprocal Trade Agreements Act and criticized the Republican leadership for not acting sooner on this matter. Sen. Ferguson took issue with him on this and stated that no hardship would result if the Act is not extended prior to its expiration. (pp. 7464-7.)
10. PRICE SUPPORTS. Sen. Beall defended Secretary Benson's flexible price-support program and outlined the various farm and other organizations which participated in its development (p. 7487).
11. CONTAINERS. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) H. R. 8357, to amend the Standard Container Act to provide for a 3/8 bushel basket (p. D654).
12. TAXATION. The Finance Committee completed marking up H. R. 8300, the general tax revision bill, following which it was announced that the Committee had taken further tentative actions with respect to provisions of the House-passed version, including Sec. 175 on soil-water conservation expenditures, as follows: "The committee reconsidered this provision and decided to make it applicable in the case of certain special assessment expenditures of the taxpayer for water conservation" (pp. D652-4).
13. LAND TRANSFER. H.R. 3097, to donate the USDA Grape Station at Oakville Calif., to the Univ. of Calif., was made the Senate's unfinished business (p. 7500).
14. ADJOURNED until Fri., June 11 (p. 7502). The Legislative Program as announced by Majority Leader Knowland: Fri., it is expected that the unfinished business will be laid aside and the State, Justice, Commerce appropriation bill will be considered (p. 7502).

That is the reason for flexibility. The situation to which I have referred occurred in connection with bids on the carriers. After the Newport News yard had built one large carrier it was in a position to outbid every other yard on the next carrier, because the Newport News yard could build it more cheaply. In my opinion, if we were to carry that theory through to its ultimate conclusion, we would finally concentrate in one yard certain types of ships, and that would be the only yard that could build such ships. That would not be in the interest of national defense.

Mr. WILLIAMS. We might carry to an extreme, in connection with all the purchases of the Government, the theory of which the Senator speaks. In such event there would not be money enough in the Treasury to pay our bills.

Mr. MAGNUSON. The Treasury is a little different. For example, I suppose the Government calls for bids on pencils. Certain manufacturers are making pencils all the time. There might be 4 or 5 concerns making pencils, and they could all bid. But the pencil is always the same. However, a ship is entirely different.

Mr. WILLIAMS. I recognize that ships are different. However, the fact remains that they are not so much different that my amendment would not apply to the example to which we both have reference, and the situation which the amendment is directed to correct. In that instance bids were called for. Bids were received from two responsible bidders, both in the same immediate area. There was a difference of \$7 million or \$8 million between the two bids, and the Government accepted the higher of the two bids. I do not believe that by any line of reasoning the Senator from Washington would attempt to justify such a situation.

Mr. MAGNUSON. I do not know how that happened. I do not wish to pass on the merits of that case. Of course, any Secretary could abuse this authority. If we should rigidly require the Secretary to accept the lowest bid on naval vessels, even though we might have the best Secretary of the Navy in the world, such a requirement might result in a condition which would not be in the national interest. The authority to which the Senator and I have been referring may have been abused in connection with the Bath-Quincy incident.

Mr. WILLIAMS. Let me say to the Senator from Washington that I would be perfectly willing to endorse a provision to the effect that, in the event the Secretary of Defense received bids, and he felt, for certain reasons, that the lowest responsible bidder was not the best one to whom to award the contract, in his discretion he could open negotiations with the other bidder, take all factors into consideration, and award the contract to the other bidder, provided his bid was on an equally low or competitive basis.

Mr. MAGNUSON. Of course I would still have to oppose any such proposal as that, because we on the west coast would have no chance for competitive bidding, unless an amendment were

added to the effect that in the awarding of contracts the Navy could take into consideration the difference in cost of the materials in various sections of the country.

During the war the Navy worked out a plan which satisfied all of us. If they were to build 12 ships, let us say, for example, they would build 4 ships on the west coast, 2 on the gulf, and 6 on the east coast. I cite that merely as an example. In such a situation they would call on the west-coast bidders to bid on four ships. They could all bid the same, because they all had the same background. In that way they would let the west-coast shipyards build four ships. However, in the case we are discussing there is no allocation of that kind. If the Navy were required to accept the lowest bid, all the ships would be built in one yard on the east coast.

Mr. WILLIAMS. Does not the Senator from Washington agree that if the bill is passed as now written there will be no competitive bidding on the naval vessels which are to be constructed? I believe it is a fact that on the west coast there is only one shipyard which would even consider bidding on a certain type of ship. Therefore if the Secretary of Defense called for bids on the west coast for the construction of a carrier, there would be only one bidder on the west coast who would be able to submit bids comparable to bids submitted on the east coast.

Mr. MAGNUSON. Not with reference to the ships we are discussing in the pending bill. What the Senator from Delaware was discussing was the question of the building of carriers.

Mr. WILLIAMS. That is correct.

Mr. MAGNUSON. So far as carriers are concerned, there is no private shipyard on the west coast that could bid on the construction of carriers. Bremerton Navy Yard could build a carrier, and it could also be built in New York and in Newport News and in Quincy on the east coast. However, the ships we are discussing in connection with the pending bill are smaller ships, with a great deal of electronic devices installed in them. As a matter of fact, the west coast may have a very good chance to bid on the construction of the ships, because the Navy may decide to build them of wood. The Navy has found that in order to detect mines and submarines it is better to use a wooden ship. Of course we could construct such ships of wood on the west coast. These are small ships. It is the medium-sized yards throughout the United States that need so much work.

Mr. WILLIAMS. Recognizing the fact that these are ships on which several shipyards on the west coast could bid—

Mr. MAGNUSON. I do not know that to be the fact.

Mr. WILLIAMS. I believe the Senator is perhaps correct in that regard. No doubt several yards on the west coast could bid on these types of ships on equal terms with shipyards on the east coast.

I do not make my amendment applicable to all naval vessels to be con-

structed. I make it applicable only to vessels constructed under the pending bill. I am not trying to amend all the other shipbuilding acts. We will deal with each act as it comes before the Senate. My amendment applies only to the pending bill.

Mr. MAGNUSON. I believe it all boils down to the fact that the Navy should, so far as it can practically do so, solicit competitive bids. If the Secretary of the Navy abuses that principle, that is a different matter. In such case no doubt the kind of situation the Senator has referred to can happen. While we hope the Secretary of the Navy will accept the lowest bid, we also hope that in awarding contracts he will, in the interest of national defense, take into consideration other factors. We do not believe that it should be a matter strictly of accepting the lowest bid. There are other factors to be considered. If we impose a strict rule requiring the Navy to accept the lowest bid, we will gradually have a concentration of shipbuilding, which is not in the national interest.

Mr. SALTONSTALL. That is what I have in mind. The construction of aircraft carriers cannot be awarded entirely to Norfolk, any more than the construction of all destroyers can be awarded to Bath, or the construction of all submarines to another shipyard. The construction must be spread around a little bit.

I will say to the Senator from Delaware that I have listened to his colloquy with the Senator from Washington, and I am sure the Senator from Washington has listened to our colloquy. I hope we have made the situation as clear as it can be made. I have tried to be as helpful as I could to the Senator from Delaware in an effort to give an indication to him of how the committee feels on this subject. I hope the Senator from Delaware will be willing not to press his amendment, but to allow the situation to stand on this debate. Although I cannot give my personal assurance to him—and it would not be worth very much if I could—I hope that the Navy Department, in the light of the debate today, will carry forward what the Senator from Delaware so earnestly and properly pleads for, insofar as the Navy Department can do so.

Mr. WILLIAMS. I appreciate the Senator's statement. However, the bulk of the argument against the amendment has been on the basis that not enough shipyards are equipped to build carriers or destroyers or submarines. We are not dealing here with carriers or submarines or destroyers. I am making my amendment applicable only to the bill now under consideration, which deals with certain types of ships. We are speaking about minesweepers and patrol vessels, which can be built in many yards. The matter of the construction of carriers and other ships can be discussed when we are considering legislation dealing with the construction of such ships.

Mr. MAGNUSON. I merely wish to add one thought. I am sure the Senator from Massachusetts agrees with me that the ships under consideration will be filled with all kinds of electronic and

secret devices, and therefore it will be desirable in the national interest that the construction of the ships be awarded to a yard where workmen who have had experience with these devices are available. The ships should be built in yards which have available skilled technical personnel, even though they might cost us more, rather than in a yard whose workers have had no experience with such devices and which may make the low bid. In other words, it may not be in the national interest to award the construction of such ships to the lowest bidder.

Mr. WILLIAMS. There is nothing in my amendment which would prohibit the Secretary of Defense from doing what the Senator from Washington has indicated, such a situation develops that it is not practicable to solicit bids.

Mr. MAGNUSON. That is correct. However, if we do not have sufficient flexibility and if we hold the Navy strictly to the acceptance of the lowest bidder on the construction of ships—even though in theory it sounds good—I do not believe it would be in the national interest.

Mr. SALTONSTALL. I should like to read the amendment of the Senator from Delaware, with the addition of certain words I have added. If he is willing to accept my addition to his amendment I shall be glad to take the amendment to conference, and in that way all of us will have an opportunity to look into the matter more carefully. I would add at the end of section 1 on page 1, line 8, the following words:

To the extent that any ships authorized under this bill are constructed in private shipyards, such contract shall be awarded to the lowest responsible bidder, insofar as national security requirements will permit, and such an award is practicable.

Mr. WILLIAMS. I am willing to add that wording to my amendment. That is agreeable to me.

Mr. SALTONSTALL. I shall be glad to accept the amendment of the Senator from Delaware with the addition of those words.

Mr. WILLIAMS. Mr. President, I modify my amendment by adding the words suggested by the Senator from Massachusetts.

The PRESIDING OFFICER (Mr. DANIEL in the chair). The Senator from Delaware modifies his amendment to the extent suggested by the Senator from Massachusetts [Mr. SALTONSTALL]. Without objection, the amendment, as modified, is agreed to.

Mr. MAGNUSON. Mr. President, I should like to make a brief statement. I was thinking of offering an amendment with reference to the allocation of ships of these particular types, but I shall not do so, because—and I think the Senator from Massachusetts will agree with me—that we cannot guarantee anything; but we hope the Navy Department, in allocating ships, will take into consideration the question of differentials in the various sections of the country with relation to any bids which may be made.

An amendment could be offered which would incorporate the original 5 percent differential, provision, and in that event, if the Navy Department were going to build a dozen ships it could say, "The

Gulf Coast is important, and the other seacoasts are important, and we will allocate the ships and call for bids in the areas where they are to be allocated and give all the shipyards a chance."

Mr. WILLIAMS. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS. I agree with what the Senator is saying, to a certain extent, although if half a dozen yards submit bids, I do not think the Navy can pick out a certain area in which there is only one of the half dozen yards, but it must take into consideration the bid in relationship to the low bids in the other areas, and consider all the factors.

Mr. MAGNUSON. I agree with the Senator from Delaware. In the building of carriers, the Navy would probably negotiate. In the case of the shipyard on the west coast, it is a Navy yard rather than a private yard. The west coast is hampered, and the Navy should take into consideration the cost of transportation of materials, and make allowance for it in the bids.

In the past I think the Navy has done that fairly well, but because costs have increased, there has been a tendency to have the work done in certain yards in the United States where the costs are a little less than in some other yards. In some cases our workmen on the west coast are so efficient that they can overcome that differential.

As to these particular types of vessels, I hope the Navy will take into consideration the fact that we have shipyards on the west coast. If it is necessary to keep the labor pool going in case of emergency, that is one thing. But there should be some kind of spread with reference to the building of these ships, and I think, under the amendment, that probably could be done.

It might be said by someone, "I can build this patrol boat," and he makes a fantastically low bid. It turns out that he made a mistake and he cannot do the job he thought he could do. The ship is half-way completed, and the Navy wants it. I am sure this would be a fertile field for the Senator from Delaware with his ability to dig out facts. He would probably find that the initial bid sometimes does not amount to too much. The man says, "I cannot complete the job." The Navy needs the ship, and it will make some adjustment and try to help out, even though he was the low bidder in the beginning. It ends up with the ship costing as much as it would have cost if the Department had done some negotiating in connection with bids of a reasonable amount.

Mr. WILLIAMS. Would the Senator from Washington call such a bidder a responsible bidder?

Mr. MAGNUSON. He may be a highly highly responsible shipbuilder.

Mr. WILLIAMS. If he is a responsible shipbuilder, and if he is the low bidder, certainly the Secretary of Defense knows enough about business to get a bond from the man who makes the bid.

Mr. MAGNUSON. He is a responsible shipbuilder, but every ship is different. He may be able to build one type of ship and do the best job possible, but

when it comes to another type of ship he may run into difficulties. The Navy Department on many occasions has said, "We need ships so badly that we will make an adjustment." They have gone ahead and chosen the low bidder because he is a responsible shipbuilder, but he is building a new type of ship and sometimes the costs are great.

Mr. WILLIAMS. I am rather interested in the matter of responsible bidders. I should like to look further into the question if the Senator has some examples.

Mr. MAGNUSON. I can find many examples.

Mr. WILLIAMS. Can the Senator think of one at this time?

Mr. MAGNUSON. During the war all shipyards had adjustments made. It was common practice.

Mr. WILLIAMS. The Senator just described a situation where a man, who was recognized as a responsible bidder, offered a low bid, but when the ship was half completed he more or less held up the Navy—

Mr. MAGNUSON. Oh, no.

Mr. WILLIAMS. I should like to know of one case of that kind.

Mr. MAGNUSON. I did not say he held up the Navy.

Mr. WILLIAMS. He did not hold it down.

Mr. MAGNUSON. A great many differences in conditions were found. There was a condition which neither the Navy nor the builder contemplated—

Mr. WILLIAMS. I am only asking the Senator when and where.

Mr. MAGNUSON. I think I can find many such examples. That was a common practice during the emergency. Sometimes the time element enters into the question.

Mr. WILLIAMS. The fact that it was a common practice—and I agree that it has been the practice in the past—is the reason why I am offering the amendment, so as to break up this practice which no man can justify.

Mr. MAGNUSON. I think it points up the complexities and difficulties of shipbuilding. It is a peculiar type of construction. One cannot be held to a rigid practice as would be the case in dealing with articles which are standard. Every ship is different. I think the Senator from Kentucky [Mr. COOPER] will agree with me that the initial bid sometimes does not cover what the ship finally costs.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8571) was read the third time and passed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The PRESIDING OFFICER (Mr. SCHOEPPPEL in the chair) laid before the Senate the amendments of the House of

Representatives to the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, which were, in line 11, strike out "October 1, 1954," and insert "December 1, 1954"; and in line 13, strike out "July 1, 1954," and insert "July 1, 1955."

Mr. CLEMENTS. Mr. President, the House amendments changed only one date in the bill. Since the change is agreeable to all parties who introduced the bill in both the House and the Senate, and it is agreeable to all parties in interest in the trade, I move that the Senate concur in the House amendments.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. SALTONSTALL. Do I correctly understand that the amendments are agreeable to the members of the committee on this side of the aisle?

Mr. CLEMENTS. They are agreeable to the chairman of the Committee on Agriculture and Forestry, and have the approval of the majority leader.

Mr. SALTONSTALL. I thank the Senator.

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield?

Mr. CLEMENTS. I yield.

Mr. BUTLER of Nebraska. May I ask if the matter has had the consideration of not only the chairman but of all members of the Committee on Agriculture and Forestry?

Mr. CLEMENTS. The bill had the approval of the entire membership of the committee when it was reported to the Senate and acted on by the Senate. The House has made only one change in the bill, and that is with reference to the date of its effectiveness. The House amendments have the approval of all members of the committee who have any interest in the item, which is tobacco.

Mr. BUTLER of Nebraska. Is this the bill which provides for a 1-year extension?

Mr. CLEMENTS. No. The bill provides for an increase in the penalty on tobacco which is grown in excess of the quotas.

Mr. BUTLER of Nebraska. I thank the Senator from Kentucky.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. CLEMENTS. I am glad to yield to my colleague.

Mr. COOPER. May I ask if this is the final action on a bill that was introduced by my colleague, and in which I joined, which would raise the penalty on excess tobacco from 40 percent to 50 percent?

Mr. CLEMENTS. That is correct.

The bill was amended by the House. An error was made in the date, and action taken by the House on Monday was vacated yesterday. The bill was then amended yesterday to change the date from July 1, 1954, to July 1, 1955, on flue-cured tobacco. The date with respect to all other tobaccos remains the same.

This is the final action on a measure which was sponsored in the Senate by the distinguished senior Senator from Missouri [Mr. HENNINGS], by my colleague, the distinguished junior Senator from Kentucky, and by myself.

Mr. COOPER. It is true, is it not, that the bill had the approval of all segments of the tobacco industry, including growers and processors, throughout the entire country?

Mr. CLEMENTS. That is correct.

Mr. COOPER. I thank my colleague. The PRESIDING OFFICER (Mr. SCHOEPPel in the chair). The question is on agreeing to the motion of the senior Senator from Kentucky [Mr. CLEMENTS].

The motion was agreed to.

ALLEGED SECRET RECORDING DEVICES IN THE ATOMIC ENERGY COMMISSION

Mr. HICKENLOOPER. Mr. President, during the afternoon I have been occupied in committee with the consideration of proposed legislation. That is why I am appearing at this late hour to make a statement.

In the Washington Post and Times Herald of this morning there was published as a part of the column written by Drew Pearson an article entitled "Atomic Gestapo." I shall read the portion of the column relating to this subject:

ATOMIC GESTAPO

The final straw that has made members of the Atomic Energy Commission see red against Chairman Admiral Lewis Strauss is a recording device installed by Strauss at Commission meetings.

In the past, Commission meetings have been informal, relaxed, and featured all sorts of fascinating philosophical discussions of the future of atomic power. Today they are ice-cold, stiff, and edgy. Every Commissioner knows that every word he says is being recorded, and he talks as little as possible before the Wall Street banker who has become czar of atomic energy.

The Commissioners know that since the friends and words of Dr. J. Robert Oppenheimer 15 years ago were used against him today, together with his lack of enthusiasm for the hydrogen bomb, their words also may be used against them in the future. So there is less and less discussion, less and less honest agreement.

"Today," said one man, "we enthuse. We are all making a record. We can only hope that while we are making enthusiasm, they are making progress in making bombs out in the field."

NOTE.—Phone tapping of Commissioners' telephones by security officers on behalf of Admiral Strauss is now considered routine. None of the three Commissioners opposing Strauss says anything important over the telephone.

Mr. President, in my considered opinion, after making an extensive investigation, the statements made in the column under this heading, with the exception of the statement referring to the conversation of Dr. J. Robert Oppenheimer 15 years ago, of which I do not have accurate information, are utterly and absolutely false. I do not believe Mr. Pearson originated the information; I think he obtained what he thought was information from persons who told him that what they alleged were facts. I wish to state what the facts are, because not only in the past, but also today, I have made an investigation of the subject.

The facts are that when Admiral Strauss took office as Chairman of the

Atomic Energy Commission, he had a search made of the Chairman's office and of other places in the Commission. When he began his duties as Chairman, he found that the offices were wired for recording. Within a few days of that discovery, he had the recording equipment and system ripped out of the office. He announced that there would be no secret recordings so long as he was Chairman of the Commission.

I was in his office about 4 days after he assumed his duties. I saw the places where the secret recording devices had been installed, and I saw the evidence that they had been removed by the order and direction of Chairman Strauss.

I have made a further check, and I am completely convinced and satisfied that there is no secret tapping of the telephones in the Atomic Energy Commission.

Where Mr. Pearson obtained his information, I do not know; but whoever gave it to him was, I am convinced, lying to him. The unfortunate part of the situation is that Mr. Pearson accepted such false statements and credited them as being true by including them in his column, to the very great detriment of a man who is trying to do an honest, decent, open, and above-board job on the Commission.

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. BUTLER of Nebraska. If the information is not true, this is not the first time such untruths have been published, is it?

Mr. HICKENLOOPER. I do not wish to engage in a discussion of various other statements and claims; I simply wish to say that this is a flagrant and inexcusable injustice to a man who himself took the initiative to rip out secret recording devices which had been previously installed, and who not only announced that it would not be his purpose to use such instrumentalities, but who has taken the lead in being very careful to see that they do not creep back into the operations of the Commission.

I think it is ominous, Mr. President, when those who decry methods of insinuation and the blasting of characters and reputations on the part of others, themselves use such innuendo and unfounded rumor as the truth in their attempts to attack those whom they do not personally like and whom they would like personally to destroy.

This is a most flagrant abuse of the right of publicity in the newspapers, a right which should be held sacred. I cannot express the utter contempt I have for persons who would originate such falsehoods, and for a man who publishes them in a newspaper. I do not say that Mr. Pearson originated this story or made it out of whole cloth. It is entirely likely, and I think it is likely, that he was told this by certain individuals. But the originators, in my opinion, were lying to him; and the criticism I have of Mr. Pearson is that he took the report, failed to verify it, and published it as truth in his column, to the detriment of a very able public servant.

TENNESSEE VALLEY AUTHORITY

Mr. KEFAUVER. Mr. President, when hearings were held on the independent offices appropriation bill several weeks ago, the private utility lobby trotted out many witnesses to show that their companies could supply the Atomic Energy Commission's Paducah works as economically as could the Tennessee Valley Authority.

At that time the appropriations subcommittee gave the AEC until tomorrow, June 10, to reach some agreement with the private utility companies for the practicable supply of power for the Paducah plant.

I have been advised by the distinguished chairman of the subcommittee, the Senator from Massachusetts [Mr. SALTONSTALL], who is presently acting as majority leader, that the conference may be delayed until the first of next week. I am glad the distinguished Senator is here to hear my few remarks on this subject this afternoon.

The subcommittee felt that if an agreement were not reached between the Atomic Energy Commission and private companies, some provision must be made for TVA to increase its production capacity to meet the AEC's power needs.

I need not remind the Senate, I am sure, that the TVA appropriation recommended by the President and approved by this body did not include funds for any new power-producing facilities in the Tennessee Valley. That action was taken in the face of uncontradicted testimony that the valley is faced with a power shortage in 1957.

Some time ago, I asked the Atomic Energy Commission for a comparison of power costs to its Paducah plant from TVA and from Electric Energy, Inc., the private group. The TVA planned to build a plant on the Kentucky side of the river, and the private company to build one across the river on the Illinois side, both plants to furnish power for the atomic energy works at Paducah.

TVA has, as the Senate knows, built the Shawnee steamplant near Paducah to serve the AEC plant. EEI, after numerous fits and starts, is building a steam plant at Joppa, Ill., for the same purpose.

The figures Admiral Strauss sent me seemed at first glance to indicate that TVA's rates were substantially higher than those of EEI. For the last 6 months of 1953, he listed the average TVA charge per kilowatt-hour at 5.85 mills, and the average EEI charge at 4.97 mills.

Inasmuch as these figures seemed to fly in the face of reason, I was obliged to ask the admiral for clarification. It was forthcoming about a month later.

To begin with, only three of TVA's Shawnee units were in operation during the period in question. Since those units did not fill all the AEC requirements, TVA purchased additional power from other sources to fill in the gap. This additional power was something more than twice the cost of TVA's own production.

During the same 6-month period, only two EEI units were in operation, and it purchased power from its parent com-

panies to complete its contract obligation to AEC.

Admiral Strauss' second letter brought out that the EEI charges listed earlier do not include amortization of the investment—and will not include such an item until the plant's completion.

Meanwhile, TVA has been collecting in its rates for power from the Shawnee plant allowances for amortization which are being returned to the Treasury as part of TVA's current payments, or re-invested in TVA facilities.

When the fourth Joppa unit is in operation in August, more than a year behind schedule, incidentally, its power cost is expected to be about 4.09 mills per kilowatt-hour, according to the Admiral's letter.

He notes that the present rate for power from TVA's Shawnee plant is 3.64 mills. This, I might add, is expected to be lower by August because of decreasing coal costs.

Therefore, the difference between the cost of Shawnee power and Joppa power in August will be at least 0.45 mill per kilowatt-hour (4.09 mills as compared with 3.64 mills) and probably larger because the TVA expects to get its coal cheaper in August.

I want to make it quite clear that this comparison is between Shawnee and the 4-unit Joppa plant. For the 6-unit Joppa plant, the cost of 4.09 mills per kilowatt-hour is expected to increase to 4.20 mills per kilowatt-hour, according to Admiral Strauss, and that is set forth in his letter.

In contrast, there will be little change in the cost of Shawnee power as between the first 4 units and the later expanded plant, Shawnee being the TVA plant.

The final differences in cost between Joppa power and Shawnee power are likely to be well over half a mill per kilowatt-hour.

Present contracts call for TVA to supply 1,205,000 kilowatts and EEI 735,000 kilowatts to the AEC's Paducah works. The corresponding annual kilowatt-hours would be a little more than 10 billion kilowatt-hours from TVA, and a little more than 6 million kilowatt-hours from EEI.

An excess cost of half a mill per kilowatt on the more than 6 billion kilowatt-hours from EEI will amount to more than \$3 million a year.

Stated a little differently, a half-mill saving on the 10 billion kilowatt-hours from TVA will amount to more than \$5 million a year.

I believe the Congress and the American taxpayers are going to be mighty interested in these figures particularly when they realize this means \$3 million or \$5 million a year for as much as 25 years.

I think, Mr. President, that the tremendous amount of electrical power which the atomic energy plants at Oak Ridge, Paducah, and Portsmouth, Ohio, are now using or will be using, is not appreciated; nor is the fact appreciated that an increase in the power rate of only 1 mill will cost the taxpayers \$50 million a year. The Tennessee Valley Authority ought to be highly commended because, by its contract with the

atomic energy plant at Oak Ridge, it has set a pattern for furnishing power at an extremely low price. If that yardstick had not been set, if the TVA had not pioneered the low price at which power could be furnished to the Atomic Energy Commission, the taxpayers of the Nation would have had to spend hundreds of millions of dollars more for the electricity which they must buy each year, and will have to buy in increasing amounts as time goes on.

I sincerely hope the very fair and distinguished Senator from Massachusetts, who has given so much time and thought to this question, will take the matter into consideration, and also consider the fact that the United States Government can save the taxpayers a great deal of money by allowing TVA to furnish power for the Atomic Energy Commission, and in the meantime allowing the TVA to have facilities to meet its own electrical needs. If the Senator from Massachusetts will do that, he will be applauded very loudly, not only by those in the Tennessee Valley, but by persons all over the Nation.

TRANSFER OF CERTAIN REAL PROPERTY IN NAPA COUNTY, CALIF.

Mr. SALTONSTALL. Mr. President, I move that the Senate proceed to the consideration of House bill 3097.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 3097) to authorize the transfer to the regents of the University of California, for agricultural purposes, of certain real property in Napa County, Calif.

LEGISLATIVE PROGRAM

Mr. SALTONSTALL. Mr. President—

The PRESIDING OFFICER (Mr. SCHOEPEL in the chair). The Senator from Massachusetts.

Mr. SALTONSTALL. After a message from the majority leader, and after consultation with the minority leader, it has been agreed that when the Senate adjourns this afternoon—and it will be an adjournment rather than a recess—it will be until Friday next at 12 o'clock. At that time the business before the Senate will be House bill 3097, which has just been made the unfinished business. However, it is hoped that the appropriation bill for the State, Justice, and Commerce Departments, which bill was reported this afternoon, will also be considered. The minority leader has informed me that it is hoped that on his side there will be no objection to considering the bill on Friday when the Senate meets. If that be correct, it is expected that the unfinished business will be laid aside and the Senate proceed to the consideration of the appropriation bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Texas. The minority leader is hopeful that there will not be any objection from either side. That is the first statement I wished to make. The next statement I should like to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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For actions of June 10, 1954
83rd-2nd, No. 107

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HIGHLIGHTS: Senate committee voted to report watershed bill. House committee reported trade agreements bill, and Rules Committee cleared it. House Rules Committee cleared surplus commodities bill. House passed Labor-HEW appropriation bill. House Rules Committee voted to report resolution to send housing bill to conference. House recalled tobacco penalty bill to correct date.

SENATE

1. SOIL CONSERVATION. The Agriculture and Forestry Committee voted to report (but did not actually report) H. R. 6788, to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation. The "Daily Digest" states, "Major amendments adopted by the committee would;

"1. Eliminate requirement that each project be approved by the Senate and House Committees on Agriculture;

"2. Require that application of local organization for a project be approved by the appropriate State agency, or if no authorized agency, the State governor;

"3. Require local organizations to acquire land, easements, and rights-of-way necessary for project, but delete provisions requiring them to turn such land and rights over to the Federal Government;

"4. Require compliance with State water rights laws;

"5. Require local organizations to secure agreements that not less than 50 percent of the land above a retention reservoir installed with Federal assistance will be treated with proper soil conservation practices;

"6. Delete authority of the Department of Agriculture to contract for construction of works of improvement in watershed projects;

"7. Require approval of the Congress of any dams providing between 2,000 and 5,000 acre-feet capacity; and

"8. Provide that the President shall prescribe rules to assure coordination of the work under the act and related work of other agencies." (p. D661.)

HOUSE

2. TRADE AGREEMENTS. The Ways and Means Committee reported without amendment H. R. 9474, to continue the reciprocal trade agreements program for 1 year (H. Rept.

1777)(pp. 7553, 7578). The Rules Committee reported a resolution for consideration of this bill (p. 7578). It is expected that the bill will be debated today (p. D663).

3. LABOR-NEW APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 9447 (pp. 7555-74).

4. SURPLUS COMMODITIES. The Rules Committee reported a resolution for consideration of S. 2475, which would be known as the "Agricultural Trade Development and Assistance Act of 1954" (p. 7578). This bill provides as follows:

Title I - Sales for Foreign Currency: Authorizes the President to negotiate and carry out agreements with friendly nations or organizations of friendly nations for the sale of surplus agricultural commodities for foreign currencies. Directs CCC, in accordance with directions of the President, to make available surplus agricultural commodities acquired by it; and authorizes letters of commitment to facilitate transactions under the bill through private trade channels. Authorizes appropriations to reimburse CCC for costs of commodities and administration. Limits transactions under this title to \$1 billion and (in general) to June 30, 1957. Permits the President to use these foreign currencies for development of new markets, purchase of materials for stockpiling, procurement of military equipment, goods or services for other friendly countries, increased production for domestic needs in friendly countries, payment of U. S. obligations abroad, foreign loans, etc.

Title II - Famine Relief and Other Assistance: Directs CCC to make available to the President such surplus agricultural commodities as the President may request for transfer to friendly countries or populations for relief purposes. Permits the President to grant surpluses to friendly nations to assist low-income groups through cooperatives. Authorizes use of \$100,000,000 worth of surpluses without regard to title II of the Mutual Defense Assistance Control Act. Encourages use of voluntary relief agencies. Limits total expenditures under this title to \$300,000,000, and limits the undertaking of new projects to June 30, 1957.

Title III - General Provisions: Authorizes the President to use CCC commodities to relieve distress in the U. S. (1) in areas of acute distress caused by unemployment, etc., if such use will not displace normal marketings, and (2) in connection with major disasters such as floods and tornadoes. Amends Sec. 416 of the Agricultural Act of 1949 so as to eliminate its limitation to "food" commodities, eliminate the necessity of finding that commodities are in danger of loss through deterioration or spoilage, establishment of barter as a priority disposal method, authority to dispose of commodities to State and Federal penal and correctional institutions and publicly owned hospitals, requirement that such use will not replace normal consumption, permission for advance estimates of available commodities, and authority for CCC to pay reprocessing, packaging, handling, and transportation charges up to time of delivery for distribution or export. Encourages exchanges of surplus agricultural commodities for strategic materials when such exchanges will protect the funds and assets of CCC.

5. TOBACCO QUOTAS. Recalled from the Senate S. 3050, to increase the penalty for excess marketing of tobacco, so as to correct the effective date (p. 7554).

6. HOUSING LOANS. The Rules Committee voted to report a rule to send H. R. 7839, the housing bill, to conference (p. D664). This bill includes a provision to continue the rural-housing program administered by this Department.

7. D. C. APPROPRIATION BILL, 1955. The Appropriations Committee reported without amendment this bill, H. R. 9517 (H. Rept. 1780)(p. 7578).



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WASHINGTON, THURSDAY, JUNE 10, 1954

No. 107

Senate

The Senate was not in session today. Its next meeting will be held on Friday, June 11, 1954, at 12 o'clock meridian.

House of Representatives

THURSDAY, JUNE 10, 1954

The House met at 12 o'clock noon.

Rev. Father Patrick J. Nagle, St. Patrick's Catholic Church, Washington, D. C., offered the following prayer:

Eternal and ever-blessed God, give to these men and women here assembled, who cooperate with Thee in the fashioning of just and equitable law, peace of mind and heart that what they have to do may always reflect divine justice, compassion, and charity.

Let their deliberations reflect Christian humility; may they take courage from St. Michael, the archangel, whose only arms in defeating the Devil were humility and ardent love of God. The same must be our weapons as we fight against our common enemy and those who aline themselves in his cause. Courageously resisting evil in all its assaults, let our battle cry be as of old, "Who can be compared to God?"

Let our enemies be punished by their own conscience, not by our wrath. Let us not at times wither the fig tree from which a more skillful gardener may yet entice good fruit.

This being our aim and purpose, may we attain it through Our Lord and Saviour, Jesus Christ, who, one with God, the Father, and the Holy Spirit, reigns forever and ever over all nations and over all men. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5416. An act to authorize the advancement of certain lieutenants on the retired list of the Navy.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1426. An act to further amend the provisions of the acts authorizing payment of 6 months' death gratuity to widow, child, or dependent relative of persons in the Armed Forces; and

H. R. 8571. An act to authorize the construction of naval vessels, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 978. An act to amend the Interstate Commerce Act in order to expedite and facilitate the termination of railroad reorganization proceedings under section 77 of the Bankruptcy Act and to require the Interstate Commerce Commission to consider, in stock modification plans, the assents of controlled or controlling stockholders, and for other purposes;

S. 3480. An act to amend section 24 of the Federal Reserve Act, as amended; and

S. 3481. An act to amend sections 23A and 24A of the Federal Reserve Act, as amended.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 54-15.

EXTENDING AUTHORITY OF PRESIDENT TO ENTER INTO TRADE AGREEMENTS

Mr. REED of New York, from the Committee on Ways and Means, reported the bill (H. R. 9474) to extend the authority

of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended (Rept. No. 1777), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

IRRIGATION AND RECLAMATION PROJECTS

(Mr. MILLER of Nebraska asked and was given permission to extend his remarks at this point.)

Mr. MILLER of Nebraska. Mr. Speaker, I call your attention to an article I have written regarding the national benefits derived from irrigation and reclamation projects. During the past few weeks there have been reckless and wanton attacks, based on misstatements and the warping of facts, on these functions of the Department of the Interior. For these reasons, as chairman of the Interior and Insular Affairs Committee, I feel prompted to answer these invasions of the truth. To let them remain unanswered would lead many to believe them true.

Several million join me in my belief that the sound development of our water resources is extremely necessary if our great Nation is to continue to lead the world in progress. President Eisenhower has also expressed the same sentiments when he appointed a Water Resources Board, composed of Cabinet members, to make a comprehensive study of our greatest natural resource, water.

I sincerely hope my colleagues will take time from their busy schedules to read the article I am submitting to be printed in the Appendix of the RECORD. Mr. Speaker, I am quite sure that many will be surprised, as I was, when they read of the tremendous contributions these irrigation and reclamation projects make to our Nation—not only to our

food supply, but also to our national Treasury.

PLEDGE OF ALLEGIANCE TO THE FLAG

(Mr. OAKMAN asked and was given permission to address the House for 1 minute.)

Mr. OAKMAN. Mr. Speaker, now that the resolution amending the pledge of allegiance to the flag has been approved in both Houses and is on its way to the President, I would like to recount some of the events leading to its passage and pay tribute to those whose service was in large measure responsible for this truly significant legislation.

It is rare in American public life to see such a high degree of selfless statesmanship as was exhibited on the floor of the Senate last Tuesday by the senior Senator from Michigan, Mr. FERGUSON. Here, indeed, is an example of principle and faith rising above the narrow considerations which too often influence the course of legislation.

This measure, which adds the words "under God" to the pledge of allegiance to the flag has drawn widespread support in recent months. In my experience as a public servant and as a Member of Congress I have never seen a bill which was so noncontroversial in nature or so inspiring in purpose. For this reason I supported the bill reported by the House Judiciary Committee without regard to authorship.

I introduced a similar bill on February 8, 1954. Senator FERGUSON's companion bill was introduced February 10, since we had worked together on it. A large number of other Members of the House also introduced similar legislation in previous sessions of Congress and in this session. It has never been a partisan matter and could not be.

Senator FERGUSON and most of the Members of the House have never sought or claimed any personal credit for this necessary improvement in our pledge of allegiance. The Senator from Michigan displayed this spirit completely on June 8 in the Senate when he persuaded his colleagues to waive the normal procedure and unanimously approve the bill adopted by the House on Monday.

The Senator's action has taken in spite of the fact that the Senate on May 11 passed the bill he introduced to add these key words to the pledge. In the normal course of events, the House would have considered and approved the bill previously passed by the Senate. This was not done, and the House bill faced the normal Senate procedure of consideration in the subcommittee and then by the full committee and with possible further delays incident to the legislative process.

Fortunately this procedure was avoided by the prompt, statesmanlike action of Senator FERGUSON, and the Members of this body owe their praise to him.

Those familiar with the manner in which the Senate regards its privileges and prerogatives will thoroughly understand and appreciate that the senior Senator from Michigan undertook no easy task when he persuaded his col-

leagues to pass the House bill immediately and unanimously.

For my own part, I am proud to have been associated with this effort that produced this legislation which recognizes the importance of divine guidance in our national affairs.

AMENDING SECTION 14 (B) OF THE FEDERAL RESERVE ACT, AS AMENDED

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 577, Rept. No. 1778), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8729) to amend section 14 (b) of the Federal Reserve Act, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

REPEALING PROVISIONS OF SECTION 16 OF THE FEDERAL RESERVE ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 578, Rept. No. 1779), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9143) to repeal the provisions of section 16 of the Federal Reserve Act which prohibits a Federal Reserve bank from paying out notes of another Federal Reserve bank. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1955

Mr. WILSON of Indiana, from the Committee on Appropriations, reported the bill (H. R. 9517, Rept. No. 1780) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part

against the revenues of said District for the fiscal year ending June 30, 1955, and for other purposes, which was read a first and second time; and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. NORRELL reserved all points of order on the bill.

TO AMEND THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 579) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, etc., That the Senate be requested to return to the House the bill, S. 3050, to amend the Agricultural Adjustment Act of 1938, as amended, and the message of the House thereon.

The resolution was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Friday night to file reports on sundry bills.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. JAVITS asked and was given permission to address the House on tomorrow for 5 minutes, following the legislative business of the day and any special orders heretofore entered.

Mr. POWELL (at the request of Mr. EDMONDSON) was granted permission to address the House for 15 minutes today, following the legislative business of the day and any special orders heretofore entered.

TELEVISION COMMITTEES OF CONGRESS

(Mr. ROGERS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS of Florida. Mr. Speaker, the present televised hearings of the dispute among McCarthy-Cohn-Schine against the Army-Stevens-Adams have brought us face to face with a most serious problem that we should begin to solve, that is, the problem and policy of telecasting committee hearings. These hearings have now been going on for the past 7 weeks and the gladiators of politics are putting on a show. During the hearings there have been charges and countercharges which are foreign to the merits of the controversy. Even on yesterday there were charges made that the participants are playing up to the gallery and seeking to make a dramatic show.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 14, 1954

For actions of June 11, 1954

83rd-2nd, No. 108

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House committee reported actions on dairy provisions of farm-program bill. House passed trade-agreements bill. Senate corrected effective date on bill to increase excess-tobacco penalty. Senate committees reported Indian extension-work bill and bill to authorize 3/8 bu. basket. Sen. Knowland inserted USDA maps and analysis of price supports. Sens. Aiken, Douglas, and others debated level of REA appropriations. Sen. Knowland inserted President's speech on legislative program, including price supports. Rep. Johnson, Wis., criticized reduction in dairy price supports. Rep. Curtis, Nebr., commended REA progress under this Administration. Rep. Mason spoke in favor of USDA price-support program.

HOUSE

- FARM PROGRAM.** The "Daily Digest" states: "Committee on Agriculture: Voted to adopt the following provisions in the section dealing with dairy products as contained in the committee print of the long-range farm program —
"Direct the Secretary of Agriculture to undertake a domestic disposal program for dairy products.
"Expand the use of milk in schools, and that the Secretary use not to exceed 50 million annually from funds of the Commodity Credit Corporation so as to increase use of fluid milk by children in nonprofit schools of high-school grade and under.
"Encourage donation of surplus dairy products to military services and veterans' hospitals.
"Authorize and encourage 5-year foreign contracts by private industry.
"Authorize accelerated brucellosis-eradication program.
"Direct the Secretary to make additional studies of the various phases of the dairy industry, and furnish a detailed report on the subject to Congress on or before January 3, 1955." (pp. D669-70.)
Rep. Johnson, Wis., criticized the reduction in dairy price supports (p. 7637).
- TRADE AGREEMENTS.** Passed, 281-53, without amendment H. R. 9474, to continue the President's authority to enter into reciprocal trade agreements for 1 year, to June 12, 1955 (pp. 7637-67).

3. PERSONNEL. Rep. Garmatz spoke in favor of unemployment compensation for Federal employees and others (pp. 7667-8).
4. ADJOURNED until Mon., June 14 (p. 7670). Legislative program, as announced by Rep. Halleck; Mon., D. C. bills; Tues., and for balance of week, Private Calendar; disposal of surplus agricultural commodities (S. 2475), motor vehicle pools (H. R. 8753), and foreign-aid and housing bills if reported (p. 7667).

SENATE

5. TOBACCO QUOTAS. Agreed to a correction in the date effective for S. 3050, to increase from 40% to 50% of the average market price, the penalty for marketing tobacco in excess of quotas. As finally passed, the bill would become effective Oct. 1, 1954, except that for flue-cured tobacco it would become effective July 1, 1955. The bill will now be sent to the President. (pp. 7589, 7617.)
6. EXTENSION WORK. The Interior and Insular Affairs Committee reported with amendments S. 3385, to transfer Indian extension work from Interior to USDA and the States (S. Rept. 1592) (p. 7582).
7. CONTAINERS. The Interstate and Foreign Commerce Committee reported without amendment H. R. 3357, to amend the Standard Container Act so as to authorize a 3/8 bushel basket (S. Rept. 1585).
8. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 3233, to provide permanent legislation for transportation of a substantial portion of water-borne cargoes in U. S.-flag vessels (S. Rept. 1584) (p. 7582).
9. DEFENSE APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 8873 (S. Rept. 1582) (pp. 7581-2).
10. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1955. Began debate on this bill, H. R. 8067 (pp. 7588, 7593-4, 7600-8, 7628-33).
11. PRICE SUPPORTS. Sen. Knowland inserted the President's recent speech on his legislative program, including price supports (pp. 7589-91).
Sen. Knowland inserted a USDA press release on maps showing the State-by-State distribution of farm income from price-supported and non-supported farm commodities and said: "These statistics are the most revealing I have ever seen in proof of the necessity for the new farm program which the Secretary and the President have recommended... I have taken the liberty of forwarding a copy of the statistics to all Senators..." (pp. 7591-2.)
12. REA APPROPRIATIONS. Sen. Aiken spoke against the recent amendment to increase REA funds by \$35,000,000, saying such an increase was unnecessary. Sen. Douglas and others debated this question with Sen. Aiken. (pp. 7595-600.)
13. LAND TRANSFER. Sen. Morse indicated that he will speak against H. R. 3097, to transfer a grape research station from USDA to Calif., and Sen. Knowland agreed that the bill would not be taken up until Tues. at the earliest (pp. 7593, 7628).
14. COMMITTEE ASSIGNMENT. Sen. Ervin, N. C., was assigned to the Government Operations Committee (p. 7581).
15. RECESSED until Mon., June 14 (p. 7634). Legislative program for this week,

fiscal year ending June 30, 1955, and for other purposes, the following amendment, namely: On page 47, after line 11, insert the following:

"Sec. 305. The Secretary of Commerce hereafter is authorized, subject to the procedures prescribed by section 505 of the Classification Act of 1949, but without regard to the numerical limitations contained therein, to place 1 position in grade GS-18, 14 positions in grade GS-17, and 5 positions in grade GS-16 in the general schedule established by the Classification Act of 1949, and such positions shall be in addition to those positions in the Department of Commerce presently allocated in grades GS-16, GS-17, and GS-18."

Mr. BRIDGES submitted amendments, intended to be proposed by him, to the bill (H. R. 8067) making appropriations for the Departments of State, Justice, and Commerce, and the United States Information Agency, for the fiscal year ending June 30, 1955, which were ordered to lie on the table and to be printed.

(For text of amendments see the foregoing notices.)

HOUSE BILL REFERRED

The bill (H. R. 9447) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1955, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

NOTICE OF PUBLIC HEARINGS ON PROPOSED LEGISLATION RELATING TO BANK HOLDING

Mr. CAPEHART. Mr. President, as chairman of the Committee on Banking and Currency, I desire to give notice that on June 21 and 22, public hearings will be held on S. 76 and S. 1118, bank holding legislation. This is a resumption of a series of hearings recessed last session.

Persons wishing to appear and testify please contact Ira Dixon, clerk of the committee, immediately.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Col. Louis Jacob Rumaggi, and Col. Howard Ker, United States Army, for appointment as assistants to the Chief of Engineers, United States Army, and as brigadier generals in the Regular Army of the United States;

Warren Atherton, of California, to be a member of the National Security Training Commission.

By Mr. HICKENLOOPER, from the Committee on Foreign Relations:

Lampton Berry, of Mississippi, and sundry other persons for reappointment or appointment in the Foreign Service.

Executive M, 83d Congress, 1st session, the Universal Copyright Convention of 1952, and three related protocols signed at Geneva, Switzerland, under date of September 6, 1952; without reservation (Exec. Rept. No. 5).

NOTICE OF CONSIDERATION OF NOMINATION OF ISAAC W. CARPENTER, JR., TO BE ASSISTANT SECRETARY OF STATE

Mr. HICKENLOOPER. Mr. President, the Senate received today the nomination of Isaac W. Carpenter, Jr., of Nebraska, to be an Assistant Secretary of State, vice Edward T. Wailes, resigned. Notice is hereby given that the nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WELKER:

Commencement day address delivered by Senator GOLDWATER at Mount Vernon Junior College on May 29, 1954.

By Mr. YOUNG:

Article on Memorial Day, written by Miss Ruth Fairbanks, and published in the Fargo Forum, of Fargo, N. Dak., on May 30, 1954.

By Mr. WATKINS:

Editorial entitled "Straight Talk From Mr. McKay," published in the Deseret News of June 7, 1954.

Editorial entitled "A Good Friend Speaks to the West," published in the Salt Lake Tribune of June 8, 1954.

By Mr. CAPEHART:

Article entitled "Here's Where War Mobilization Stands," written by Sterling Green, and published in Nation's Business for May 1954, which will appear hereafter in the Appendix.

By Mr. PAYNE:

Article entitled "Merchant Marine Ailing," written by Hanson W. Baldwin and published in the New York Times of June 10, 1954.

By Mr. BUTLER of Maryland.

Article entitled "Laurels for a Traffic Manager," written by Helen Delich, and published in the Baltimore Sun of June 10, 1954.

Editorial entitled "Navy Ship Awards and Maritime Policy," published in the Baltimore Sun of June 9, 1954.

Letter dated June 2, 1954, from Industrial Union of Marine and Shipbuilding Workers of America to the President of the United States.

By Mr. JOHNSON of Texas:

Address recently delivered by Dr. Stuart A. MacCorkle on the need for greater and better informed interest in government.

Article relating to Lt. Gen. Ernest O. Thompson appearing in a recent edition of the Dallas Morning News.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938—RETURN OF BILL TO HOUSE OF REPRESENTATIVES

Mr. CLEMENTS. Mr. President, on last Wednesday the Senate concurred in action taken by the House of Representatives on the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938. It was later determined that a clerical error had been made in the bill which was sent to the Senate. There is a resolution on the desk, House Resolution 579, requesting that the bill be returned to the House of Representatives. In compliance with that request, I ask unanimous consent that the order of the Senate on Wednesday be vacated, and that the bill and accompanying papers be returned to the House of Representatives.

The VICE PRESIDENT. Is there objection to the requests of the Senator from Kentucky? The Chair hears none, and it is so ordered.

ADDRESS BY PRESIDENT EISENHOWER

Mr. KNOWLAND. Mr. President, last night the President of the United States delivered a nationwide address in Washington. In his remarks the President emphasized the urgent necessity for action by the Congress on the administration's legislation program to assure a stronger and more prosperous America. In my judgment, the President sounded an encouraging note for all in pointing the way forward toward a unified Nation. I hope that all our citizens who were not able to listen to the President's remarks last night will take the opportunity to read his address carefully.

Mr. President, I ask unanimous consent that the text of the President's address be inserted in the RECORD at this point. In commenting on what is possibly the greatest domestic problem we face, the Nation's agricultural program, the President urged that the farm program be taken out of the realm of partisan politics, and he stated that the program he has recommended to the Congress was designed to accomplish that objective.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF PRESIDENT EISENHOWER'S SPEECH

I prize this opportunity to meet with citizens, dedicated to the policies and objectives of the administration. These policies and objectives have been placed before the Congress in a legislative program to build a better and stronger America. I am delighted that you have come to Washington to pledge your support to those Members of the present Congress who are working for this program. Happily these are both numerous and able—and to be found not only among the leaders and seniors who helped design the program, but among our younger friends most recently elected to that august body.

Of course, I am equally pleased that you are likewise pledged to do your individual

and collective best to see that there will be many more such men and women in the next Congress.

What we mean by a stronger America is a nation whose every citizen has reason for bold hope, where effort is rewarded and prosperity is shared, where freedom expands and peace is secure.

TALKS ABOUT PROGRAM NOW IN CONGRESS

The legislative program that you and I support is a broad, straight legislative highway to that kind of an America.

Tonight, I propose that we talk frankly, even if somewhat sketchily, about that program now in the Congress.

It was laid before the Congress last January, and was designed to protect our freedoms; to foster a growing, prosperous, peacetime economy; and to fulfill the Government's obligations in helping solve the human problems of our citizenry.

Basic to the protection of our freedom is a strong, forthright foreign policy. This we have been developing. Our foreign policy is vigorously opposed to imperialistic ambitions, but devoted to harmonious cooperation with all nations and peoples who desire to live in peace with their neighbors. It demands unremitting effort to create and hold friends and to encourage them in staunchness of friendship with us. It requires us to be vigilant against those who would destroy us; to be calm and confident in the face of their threats.

CONDITIONS REQUIRE STREAMLINED DEFENSE

Present world conditions require a national-defense program, streamlined, effective, and economical, that takes into full account our air and nuclear might, but in the longer range, our foreign and defense policies must be directed toward world disarmament.

We must seek for all mankind a release from the deadening burden of armaments. We must continue to seek sensible solutions for the fateful problems posed by the atom and hydrogen bombs. Pursuing these purposes, we have persistently made appropriate proposals to the world, and more particularly to the Soviets, which if honestly accepted would go far toward attainment of these goals.

We must strive constantly with our friends for a freer system of world trade and investment, for strengthened trade-agreement legislation, for simpler rules and regulations under which trade can be carried on. In the meantime, we must continue to render military and economic assistance abroad where our national interest is thereby served.

In this way we not only build up our own material and military strength so that we may oppose successfully any rash aggression by the Communists, but we help eliminate those conditions of poverty, disease, and ignorance in the world which provide fertile breeding ground for the exploiters of discontent.

SEEKS CLARIFICATION OF FOREIGN POLICY

Foreign policy is a complicated and comprehensive subject. It cannot be effectively described in a mere section of a general talk such as this. But because foreign affairs and foreign policy do so vitally affect the lives of each of us and all that we are attempting to do here at home as well as abroad, the Secretary of State is at this moment on a trip to the West where he is delivering major addresses that will help clarify for all our citizens the position of America in world affairs.

At home we have sought to preserve the sanctity of our freedoms by denying official posts of trust to the untrustworthy; by intensifying legal action against the members and leaders of the Communist conspiracy; by sharpening our weapons for dealing with sabotage.

Scarcely need I assure such an audience as this that I—and my every associate in

government—will keep everlastingly at the job of uprooting subversion wherever it may be found.

The objective of the second part of our national program is a strong and a growing economy, shared in, equitably, by all our citizens.

We began by uncovering and eliminating needless expenditures within the Federal Government. We proposed a reduction in taxes and reform of the tax system. Other measures involve a new farm program adjusted to current domestic and world conditions; an improved and expanded national highway system; a sound and comprehensive development of water and other natural resources; a broad housing program.

HOPES TO UPROOT WASTE IN POSTAL DEPARTMENT

We hope to uproot the ingrained habit of operating the vast Post Office Department in an extravagantly wasteful and unbusinesslike manner. We cannot permit the deliberate operations of our postal department at a gigantic loss because a few are opposed to adequate postal rates. And we must have classification and promotional procedures for postal personnel that will serve the best interests of the Government, the public, and the postal workers themselves.

The third great purpose outlined 5 months ago was sympathetic consideration of the human problems of our citizens and practical assistance in solving them.

Our goal for every American is better schooling; better housing; better health; and a reasonable assurance against the hardships of unemployment, against the impact of accident and illness, against poverty, against insecurity in old age.

This threefold program—national security, economic, human—was the product of intensive effort by a multitude of technical experts and specialists, Government employees and executives, legislative leaders, and committee chairmen. They labored diligently for months to evolve measures sound both in concept and in detail. These measures were—and are—badly needed to build the kind of America all of us ardently desire. There is nothing partisan, sectional, or partial about them; they are for the security, prosperity, and happiness of all Americans.

CONGRESS HARD AT WORK DESPITE DISTRACTIONS

In spite of highly publicized distractions, Congress has been hard at work.* The difficult and time-consuming appropriation bills not only have been acted upon much faster than usual, but the Congress has supported the administration in its efforts to reduce expenditures. Through legislation recently enacted, our people will have better highways. Stifling taxes on consumers have been eased. After more than 40 years of heated debate, the historic St. Lawrence seaway project is now authorized by law. A mutual security treaty with the Republic of Korea has been approved. These are but a few of a number of major pieces of legislation that have been enacted.

But much remains that is of vital significance to every American citizen. Tonight I am addressing myself primarily to a few of the important parts of the program that are now under discussion in the Congress and in different stages of the legislative process.

TAX REVISION BILL FIRST ON PROGRAM

First—The tax revision bill.

I remind you of the \$7 billion tax reduction already provided to our citizens. The pending tax revision bill will likewise benefit all of the American people. It is designed to accomplish a fairer distribution of the tax burden. It will give more liberal tax treatment for dependent children who work, for widows or widowers with dependent children and for medical expenses. It will help

to expand business activity and so create jobs throughout the country and will also give real encouragement to small business.

I cannot overemphasize the importance I attach to the general policies and proposals comprehended in the tax bill and the need for its early passage.

I am sure you will agree with me that the Congress should enact this tax legislation, already passed by the House of Representatives. Some of its benefits will begin to accrue to the people of our country as soon as enacted, because then, with tax uncertainties removed, investors, manufacturers, and businessmen will all accelerate their activities, thus creating new jobs and increasing the national income. Here is an added reason for speed.

Another pending measure, vitally necessary to every citizen, is the new farm program. Its purpose is to promote stability and prosperity in agriculture and help assure our farmers a fair share of the national income.

PRESENT FARM LAW ENCOURAGES SURPLUSES

The Nation's present farm law encourages production of great surpluses of a few commodities, and then it prices those commodities out of their traditional markets. As a result the Government must now spend \$30,000 an hour—every hour—just to store these surpluses. In the last 12 months the Government increased its investment in price-supported commodities by \$2,800,000,000. During the next 12 months the present law would force another increase.

One aspect of this amazing process appears to be little understood. Minority clamor has concealed from the majority the fact that a change from rigid price supports to flexible supports would affect less than one-fourth of the income our farmers receive. Rigid supports do not in any way affect crops that produce 77 percent of our farmers' income.

Five months ago, on the advice of farm organizations, heads of agricultural colleges, a host of individual farmers and many other experts, I recommended that a new farm program be enacted by the Congress. This program proposes price supports with enough flexibility to encourage the production of needed supplies and to stimulate the consumption of those commodities that are flooding and depressing the American markets. It also proposed gradualism in the adoption and application of certain phases of the new program so that there could not possibly be an abrupt downward change in the level of price supports on basic commodities.

The plan will increase markets for farm products, protect the consumers' food supply, and move food into consumption instead of Government storage. It will gradually dispose of the gigantic farm surpluses and promises our farmers a higher and steadier financial return over the years.

FARM PROGRAM HAS BIPARTISAN ORIGIN

This badly needed, new program has a bipartisan origin. The proposal is, in concept, the same as the law passed 5 years ago by a vast majority of each of the 2 parties in Congress.

And yet—despite the vast accumulation of surpluses in the hands of the Government—

Despite the declining markets at home and abroad and increasing regimentation of the individual farmer—

Despite the fact that only a minority of American farmers are affected by price supports—

Despite the fact that even among this farmer minority, many of them are opposed to a program so obviously unsuited to the needs of our country—

Despite all of these painfully evident weaknesses, a vote, described to me as tentative, which was taken 2 days ago in a committee of the House of Representatives, calls for

not come to the Senate with clean hands on this issue. The Department of Justice comes to the Senate with a tortured interpretation of section 605, because, in my judgment, it has alibied and rationalized a course of illegal action on its part, through a series of Attorneys General. Attorney General Brownell is not the only wrongdoer in this matter; it goes back through a series of Attorneys General who have been giving to section 605 a tortured interpretation. I think that good faith called on them, years ago, to get squarely before the Supreme Court a case as to whether section 605 makes the interception illegal and whether its interpretation of the word "divulge" is correct. If that had been done, there would not have been this buildup of opinion precedents—not judicial precedents—of Attorneys General and lawyers in the Department of Justice.

PRIVATE WIRETAPPING TOLERATED

Attorney General Brownell told the Senate subcommittee on wiretapping on April 20, 1954:

As the law now stands, it does not keep people from tapping wires. It is still useful to those who make private use of it for personal gain.

Mr. President, do you see all the implications of that statement? Do you see the overtones and the undertones of it? I would prefer to have the Attorney General of the United States take the position that this kind of an invasion of privacy must not be allowed, either by Government officials or by private persons. That is so because I do not think that morally and ethically it is possible to justify taking advantage of the rights of privacy of freemen, either for personal gain or for law enforcement.

Brownell was asked about legislation to prohibit private wiretapping. He was asked:

I wanted to know if you would care to express an opinion for or against such a regulation of wiretapping or if you believe the legislation should be confined only to the question of what evidence may be used in court, leaving the situation wide open as it is now for anybody to tap anybody's wire.

Brownell replied:

The particular question that concerns the Department of Justice is the latter. We have not considered that aspect of it sufficiently for me to express any considered opinion right now.

Mr. President, it saddens me when I realize, from that statement, that Attorney General Brownell admits he has forgotten most of the constitutional law history that I know must have been taught to him in law school—the story of the great, historic battle that was fought, over the decades, to protect the American people from the general warrant. It is very clear that the questioner raised the issue of whether both Government officials and private persons should be allowed to violate the right of privacy of free men—and Mr. Brownell has to have time to consider that. Enough said, Mr. President, in my judgment, about his qualifications to be an expert witness before us on the question

of the proper interpretation, meaning, and intent of the Bill of Rights, as raised by the wiretapping issue.

Brownell and the other wiretapping proponents have claimed that in the Coplon case, Judge Learned Hand advocated a change in the present law against wiretapping. The record shows that Judge Hand listened to the Department of Justice claims of a need for a change and said:

All these are matters with which we have no power to deal, and on which we express no opinion; we take the law as we find it.

Mr. President, that is exactly what the Judge should have said.

LAW AGAINST WIRETAPPING SHOULD BE ENFORCED

I suggest to Attorney General Brownell that he too, like Judge Learned Hand, take the law as it is found on the statute books—and enforce it.

Today there are people who look for a compromise between the various wiretapping bills before the Congress, who seek a way to have wiretapping "with safeguards." I say to these people that there are no safeguards which can effectively protect the personal security and privacy of Americans from the evils inherent in wiretapping. There can be no compromise with the freedoms and protections guaranteed Americans in the Bill of Rights.

The wiretapping controversy of today is a modern, condensed version of the struggle against arbitrary searches and seizures by Government officials that took place in England before 1765, and in colonial America.

I am confident that the end of the present controversy will bring a reaffirmation of the principle that in a democracy, the rights of its people are always superior to the expediencies of its officials.

Mr. President, we need today the same awakening of the consciences of the American people regarding the precious nature of their personal rights that occurred during the Constitutional Convention at which our great Republic was born. Once again we need to heed the advice of Jefferson, Madison, Henry, and the rest of the great constitutional fathers who, although a majority of them finally decided they were willing to ratify the Constitution, reached that decision only upon condition that following its ratification there would be submitted what we know as the Bill of Rights, including the principle, spirit, and intent of the fourth, fifth, and sixth amendments. Those principles are the ones for which the Senator from Oregon, once again, as a Member of this body, is raising his voice in this debate and is pleading for protection of the privacy of freemen, without which there cannot be freedom for the individual.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 3096) to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the Armed Forces of physi-

cians, dentists, or those in an allied specialist category.

The message also announced that the House had passed the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, with an amendment, in which it requested the concurrence of the Senate.

ORDER FOR RECESS TO MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its session this evening it stand in recess until Monday next at 12 o'clock noon.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Is there objection? Without objection, it is so ordered.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3050) to amend the Agricultural Adjustment Act of 1938, as amended, which was, in line 13, to strike out "July 1, 1954" and insert "July 1, 1955."

Mr. CLEMENTS. Mr. President, this bill is for the third time before the Senate. Last week a clerical error was made in the bill in the House of Representatives. This matter has been fully explained on two different occasions. I believe every Member of the Senate who desired to learn what the bill would accomplish has had an opportunity to do so.

If no Member of the Senate desires any further explanation, I move that the Senate concur in the House amendment.

Mr. BUTLER of Nebraska. Mr. President, will the Senator give us a little more information about the bill?

Mr. CLEMENTS. The bill does one thing, and one thing only. It increases from 40 to 50 percent the penalty on all tobacco grown over the quota.

Mr. BUTLER of Nebraska. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to.

SWISS PROPAGANDA AND UNEMPLOYMENT IN THE JEWELRY WATCH INDUSTRY

Mr. JOHNSTON of South Carolina obtained the floor.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from South Carolina yield to me, to permit me to request the printing of a statement in the RECORD?

Mr. JOHNSTON of South Carolina. Yes, if it is understood that in yielding for that purpose, I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUTLER of Nebraska. Mr. President, I thank the Senator from South Carolina for doing me the courtesy of yielding to me at this time, for I had expected to speak to the Senate on the question of Swiss propaganda and un-

employment in the jeweled watch industry. However, in view of the lateness of the hour and the fact that the Senator from South Carolina has the floor, I now ask unanimous consent that a statement I have prepared be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER OF NEBRASKA
SWISS PROPAGANDA AND UNEMPLOYMENT IN THE
JEWELLED WATCH INDUSTRY

On May 18 the New York Journal of Commerce carried a news story that I found very interesting. It was from Bienne, Switzerland, and it said that "increasing unemployment in the Swiss watch industry is causing concern here as over 2,000 workers are drawing benefits for total or partial layoffs." It went on to say that this is the highest unemployment figure the Swiss industry has recorded since the end of the war.

This story interested me because it was another manifestation of the propaganda campaign of the Swiss watch cartel that has obscured and confused a situation of vital importance to the national security of our Nation—the forthcoming decision on whether or not tariffs on Swiss watches and watch movements will be increased in order to preserve the American watchmaking industry and assure the continuance of facilities and skills that are of great significance to our national defense. This propaganda campaign is obvious to me and to a great many Members of the Senate. It may not be so clear, however, to the public or even to others who have a direct interest in our foreign-trade program.

I, therefore, decided to look into this situation and I obtained some figures from the United States Department of Commerce that I think have a very significant bearing on this effort of the Swiss propagandists to win sympathy for "poor little Switzerland." I found that the Swiss watchmaking industry now employs about 60,000 workers. Thus, if there really are 2,000 Swiss watchworkers totally or partially unemployed, they represent about 3 percent of the industry's workers.

By contrast, in the United States, I found the following to be true: In 1951 the 4 remaining American jeweled-watch manufacturers employed 8,151 workers on watch production, in 1953 they employed 6,670 workers, and in 1954 they will employ an average of less than 5,000 workers on watch production. Thus, in the 2½ years since the end of 1951, domestic employment in production of jeweled-watch movements has fallen approximately 40 percent. Now, which group of workers should we feel sorry for—the 3 percent in Switzerland or the 40 percent of Americans who have had their jobs exported to Switzerland?

I found some other interesting figures while I was checking this situation. In 1951 the 4 American manufacturers made 3.1 million jeweled watches. That year the Swiss exported 9.1 million jeweled watches into our market. In 1953 the Swiss sent 10.6 million jeweled watches here and the American producers were then able to manufacture and sell only 2.2 million because our market was flooded with cheap Swiss imports. As a result of the fact that 1.5 million more Swiss watches were thrown onto the United States market, nearly 1 million fewer American watches were made and 1,500 American watchworkers were deprived of jobs.

Now let us look at the growth and the operations of the Swiss watch cartel more closely. In the years 1937 to 1939 employment in the Swiss watch industry averaged approximately 40,000 workers. They had already made substantial progress in taking over the American market, following a slash

of more than 30 percent in American customs duties under the trade agreement. Then the war started, the American factories were converted 100 percent to war production, and the Swiss cartel really moved in. In 1941 employment jumped from 40,000 to about 45,250. In 1943 it went to 46,700, or 18 percent greater than before the war. In 1950 the total was 54,000 or 35 percent higher. In 1951 it was 63,000 or 57.5 percent greater than at the time of the reciprocal trade agreement.

Now, here is an interesting fact. As I just said, in 1943 there were nearly 47,000 watch workers employed in Swiss factories. But in that year Switzerland exported fewer watches than it had in any year since the depression. It exported 14 million watches—just half as many as in 1937. Why did the highly efficient Swiss need 20 percent more workers to produce only half as many watches? The answer, I think, is fairly simple—they were producing fuzes and other munition components for Germany and Italy—or the fine machine tools that those Fascist governments needed for their war production.

While the entire American watch industry was mobilized 100 percent for needed military production, the Swiss were, in fact, producing for and trading with the enemy because the enemy, at that time, held all the trump cards and could apply more pressure than we could—until the closing weeks of the war.

It is on the record that during World War II the Axis allowed the Swiss to export certain "civilian" timepieces to the United States and other belligerent and neutral nations. I have been told of one grimly amusing incident in this connection. So desperate were we at that particular time for additional watches for our ground and air forces, that some of these Swiss watches were placed in military cases and issued to our fighting men. And I am told that these Swiss companies made vigorous protests against this practice—on the grounds that the watches were not intended for this use and so the soldiers that used them and found them unsatisfactory might not be in the market for watches of these brands after the war. That was a major Swiss concern when our men were dying on battlefields all over the world.

But to resume: In return for the privilege of sending watches to America and thus taking this market when our own factories were devoting full time to the war effort, the Swiss were obliged by Germany to produce and deliver vast quantities of military timing mechanisms and other precision equipment. And this Swiss military production in World War II was used by our enemies to kill and wound American soldiers, sailors, and airmen. We have no guaranty—economic, political, or otherwise—that in the event of another war, an even more powerful Swiss watch industry will not repeat this tragic performance under pressure of an enemy of the United States.

A very small part of the Swiss contributions to the German war effort is detailed in the book entitled "The Hidden Weapon." Its authors, David L. Gordon and Royden Daingerfield, were formerly chiefs of the Economic Blockade Division of the United States Government's Foreign Economic Administration during World War II. Here is an example of the information it contains:

"Swiss exports to Germany in 1942 reached a value of 2.8 times as great as in 1938. Shipments of metals to Germany in 1943 were nearly 600 percent (by value) over 1938 levels; those of machinery, vehicles, and related products over 500 percent; those of clocks, watches, and precision instruments, 460 percent; and those of drugs and chemicals, 350 percent. These increases were substantially greater than the decline of Swiss

exports to other destinations; so that they represented not only a replacement of allied and overseas markets by German-controlled areas, but a shift in the orientation of the whole Swiss economy with a greatly increased emphasis on war goods. * * *

"But whatever the justification, there can be no question that Swiss imports were of substantial importance to the German war effort. Many of them were manufactures requiring an exceptionally high degree of skill and precision, for which the Swiss-watch and machine-tool industries are world famous; they comprised arms and ammunition (including such highly efficient weapons as the famous Oerlikon guns), airplanes, bearings, delicate and complex fuses for bombs, and artillery shells, machine tools, electrical machinery and equipment, radio and telegraph equipment, turbines, locomotives, engines, precision instruments, military watches, and other timing and measuring devices. Fine watchmaking machinery, on which the Swiss had a near monopoly, and which they have previously refused to sell abroad, was shipped in increasing volume to Germany to make and repair essential military timepieces and timing devices."

Confirming the authors of *The Hidden Weapon*, here is a quotation from a report of a survey of the German watch and clock industry made just after World War II by three expert members of the United States Technical Intelligence Committee of the G-2 division of SHAEF. The report was originally restricted and is now declassified. They reported:

"Practically all plants, in the last few years, from the largest to the smallest, had acquired an astonishingly large number of new Swiss and German tools of the best quality. In the opinion of the team, the quantity of machine tools is greatly in excess of pre-war production requirements. The equipment includes such items as Swiss jig borers, Swiss plate-routing machines, Swiss precision multiple-plate drilling machines, various types of Swiss automatic screw machine, various types of Swiss machines for cutting pinions, wheel, etc. They also had excellent Swiss toolmaking equipment, some of which was highly specialized. This equipment is not in all cases made available to United States manufacturers by reason of export prohibition by the Swiss Government."

Please note that—these tools could not be exported to the United States, but it was perfectly all right with the Swiss Government if they were sent to Germany to make ammunition, bombs, and projectiles for use against the nations of the free world.

I do not think there should be any grave concern in this country when Swiss propagandists tell us that poor little Switzerland now has 2,000 watch workers unemployed—when you consider that since the reciprocal trade agreement went into effect Switzerland was able to build its watch industry from around 40,000 workers to 60,000, and since as a direct result of that trade agreement, employment in the American industry has fallen to just about the lowest point since the depression.

The Swiss watch industry has fattened and grown great on war. And not just World War II. Here is a quotation from the American Legation report on the Swiss watch industry in 1950:

"At the beginning of 1950, it was generally expected that exports and production of horological products would decline further. The first half of the year indeed was disappointing to the manufacturers, especially the first quarter when a considerable drop took place. Sales during the first quarter were 25 percent below corresponding 1949 sales.

"With the outbreak of the Korean war, the Swiss watch industry was suddenly flooded with orders, especially from the United States. Since June of 1950, the industry has

Public Law 425 - 83d Congress
Chapter 339 - 2d Session
S. 3050

AN ACT

All 68 Stat. 270.

To amend the Agricultural Adjustment Act of 1938, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 314 (a) of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows: "The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 50 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year."

Tobacco.
Excess market-
ing.
60 Stat. 21.
7 USC 1314.

This amendment shall become effective October 1, 1954, except that in the case of flue-cured tobacco such amendment shall become effective July 1, 1955. Effective date.

Approved June 22, 1954.

